



Daily Report

China

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5 October 1989

Daily Report

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General

Envoy Protests Dalai Lama Peace Prize

*LD0510124839 Stockholm Domestic Service
in Swedish 1130 GMT 5 Oct 89*

[Text] The Chinese Embassy in Oslo has criticized the awarding of the 1989 Nobel Peace Prize to Tibet's religious leader, the 54-year-old Dalai Lama. The Chinese ambassador told the Norwegian news agency that the choice of the Dalai Lama is an insolent interference in China's internal affairs and an insult to the Chinese people.

The Dalai Lama fled from Tibet in 1959, and has since then worked to free Tibet from China. The Norwegian Nobel Committee stresses in its motivation that the Dalai Lama has consistently opposed force in his struggle for the liberation of Tibet.

Further on Qian Qichen's Activities at UN

Meets Cambodian Leaders

*OW0510074789 Beijing XINHUA in English
0646 GMT 5 Oct 89*

[Text] New York, October 4 (XINHUA)—Chinese Foreign Minister Qian Qichen met separately with Democratic Kampuchean leaders Son Sann and Khieu Samphan here today and yesterday.

Qian and the two leaders are here attending the 44th Session of the U.N. General Assembly.

During the meetings, Son Sann, prime minister of the coalition government of Democratic Kampuchea, and Khieu Samphan, vice-president in charge of foreign affairs, expressed the hope that the international community will continue to show concern for the situation in Kampuchea.

Both of them expressed their willingness to make efforts to strive for a comprehensive, equitable and reasonable settlement of the Kampuchean issue as soon as possible.

Qian said that China has all along stood for an equitable and reasonable solution to [words indistinct] Kampuchea and supported a series of standpoints on the settlement of the question advanced by Prince Norodom Sihanouk.

The Chinese foreign minister voiced the hope that the current U.N. General Assembly will adopt a resolution on the Kampuchean issue so as to push forward the process of a political solution to the Kampuchean problem.

Meets Indonesian Counterpart

*OW0510012089 Beijing XINHUA in English
0059 GMT 5 Oct 89*

[By Su Yuanchun]

[Text] United Nations, October 4 (XINHUA)—The foreign ministers of China and Indonesia met here today to discuss the question of normalization of the relations between the two countries.

Briefing reporters, spokesman of the Chinese delegation Xia Daosheng, who took part in the talks, said both Qian Qichen and Ali Alatas felt satisfied with the consultations during the previous period on the normalization of relations.

The two sides decided during the talks that a Chinese delegation to be led by a department director of the Foreign Ministry will be sent to the Indonesian capital of Jakarta in late November or early December this year. The delegation will be there for continued consultation with an Indonesian delegation to be headed by an official with the same rank on the technical questions concerning the normalization of the two countries' relations.

The two foreign ministers also exchanged views on the question of Kampuchea during their talks, according to the spokesman.

UN, World Bank Projects Improve Rural Water

*OW0310135389 Beijing XINHUA in English
0700 GMT 3 Oct 89*

["UNDP, World Bank Help China Improve Drinking Water Supply in Rural Areas (by Qian Wenrong)"]—XINHUA headline]

[Text] United Nations, October 2 (XINHUA)—A joint project funded and executed by the United Nations Development Program (UNDP) and the World Bank to help China improve drinking water supply in rural areas and townships has been being carried out smoothly and successfully with the support and coordination of the Chinese Government, said a UNDP official. [sentence as received]

Mr Gerhard Tschannerl, UNDP regional manager for East Asia and Pacific in Water and Sanitation Division, told XINHUA in a recent interview that the project began with signing of a handpump testing agreement in 1983 as part of the implementation of the UN-launched international drinking water supply and sanitation decade (1981-1990) which is aimed to bring clean water and better sanitation service in developing countries.

In the last four decades of New China, the Chinese Government has done great efforts to improve drinking water supply and better sanitation service. However, according to a UNDP-World Bank survey, due to China's huge population and vast territory, over 400 million people, about one-third of China's population, still lack access to clean and safe drinking water, particularly in remote areas.

After the successful field testing of handpumps in Hunan and Shanxi Provinces in 1984, the UNDP and the World Bank then sent a team led by Mr Tschannerl to China in

1986 to implement the project so as to help China further improve the water supply and sanitation service as quickly as possible.

A demonstration project involving well drilling, use of deep well handpumps and maintenance in Langfang near Beijing, capital of China, was conducted by the team the following year with great success, Mr Tschannerl said.

"When we, my colleagues and myself, revisited Langfang this spring together with some Chinese officials from the National Patriotic Health Campaign Committee (NPHCC) to see the operation of the system, the local people gave us warm welcome because they said they are very happy and satisfied with the new water supply system," he said. The local people told them that due to the access to clean water, sickness and disease in their village has been reduced sharply.

In 1988 and early this year, Mr Tschannerl and his team went to Inner Mongolia and Xinjiang Autonomous Regions to begin two large demonstration projects. After a careful feasibility study and discussions with local officials and with the approval of the NPHCC, the UNDP-World Bank project decided to provide for 300 wells to be drilled and equipped with community handpumps in Moyu and Shule Counties of the Xinjiang Autonomous Region and 100 wells in other two counties in Inner Mongolia. When the two projects are completed, 400,000 people will receive safe water supplies.

Mr Tschannerl knows China very well and loves China. He and his family Mrs Janaki Tschannerl had visited China in 1970's and then taught in China's Nanjing Water Conservancy Institute for one year in 1980. [sentence as received]

He said China is a developing country belonging to the Third World. Therefore, his team considers the low cost, local production of pumps and its spare parts, and easy operation as three basic conditions for designing the water supply system.

Learning from the lessons that in many developing countries, many of newly installed rural water systems, handpumps in particular, quickly fell into disrepair due to lack of appropriate maintenance and the unavailability of spare parts, he said that with the close cooperation of Chinese officials and engineers, he has helped to design a standard handpump which will be manufactured locally, both in Inner Mongolia and Xinjiang. [sentence as received]

This new-type handpump can lift water up from 30 to 40 meters below ground and all its spare parts are easily replaced, Mr Tschannerl said.

But he also stressed two other important factors for the success of the water supply system, that is the integration of water supply with sanitation and health education among the people and the training of personnel, specially the maintenance workers.

Under the UNDP-World Bank water and sanitation program, similar demonstration projects, like those in China, have been conducted in about 40 developing countries in the last ten years. These projects, according to a UNDP report, have helped over 500 million people to gain access to safe water supplies and thus improve their health conditions.

Jiang Zemin Meets Economic Meeting Participants

OW0410140889 Beijing Domestic Service in Mandarin 1200 GMT 2 Oct 89

[From the "News and Press Review" program]

[Text] A symposium on Sino-foreign economic cooperation ended in Beijing this afternoon. In his closing speech, Rong Yiren, chairman of the Board of Directors of China International Trust and Investment Corporation (Group) [CITIC], said: This has been a very successful symposium. Chinese and foreign participants have exchanged views in a frank spirit over the past 2 days on matters related to the promotion of Sino-foreign economic cooperation. Mutual understanding has improved as a result. He pointed out: We will study the pertinent views and suggestions made by foreign friends on improving China's investment environment and on strengthening Sino-foreign economic cooperation. He said: There is still great potential for Sino-foreign economic cooperation. We can overcome difficulties through joint efforts and push our cooperation forward.

General Secretary Jiang Zemin met with the participants in the symposium after it closed at the Great Hall of the People. The meeting was held in a very friendly atmosphere.

Chairman Rong Yiren held a reception at the Great Hall of the People on the same night to celebrate the 10th anniversary of CITIC's founding.

State Tightens Controls on Foreign Journalists

HK0510015389 Hong Kong HONGKONG STANDARD in English 5 Oct 89 p 7

[By Tammy Tam]

[Text] Beijing has tightened its control over foreign reporters, including journalist from Hong Kong and Taiwan.

An official of the All Chinese Journalists Association (CJA) told the HONGKONG STANDARD yesterday that foreign journalists planning to work in Beijing should first apply for a special reporting card.

In addition, officials have been instructed to refuse all telephone interviews with foreign journalists.

A report from Beijing said the new regulations had been passed to all local authorities.

The CJA official said foreign journalists should apply to the association for an interview card before contacting interviewees.

This is a departure from previous practice when interview cards were only required for important occasions.

The CJA official also said Hong Kong reporters would no longer be allowed to go to Beijing with their Home Visit Permit and work, but would now require visas.

"Hong Kong reporters who want to cover news in Beijing must apply to local XINHUA NEWS AGENCY who will forward the application to the Beijing authorities," the official said.

Before starting work in Beijing, reporters must apply to the CJA for a reporting card which can only be used once.

"Reporting without the card and coming to Beijing to work on a Home Visit Permit is banned," she said.

An official of the Hong Kong Branch of XINHUA NEWS AGENCY yesterday said she had not read the new regulations, but "people should follow the regulation when there is one".

She also said the CJA was only a department providing assistance to foreign journalists.

"Beijing is such a big city and has so many organisations and institutions, it is helpful for the CJA to do the overall planning and make arrangements for journalists' activities," she said.

Overseas journalists covering China news have been unable to obtain information by telephone since last month.

Spokesman of China's Taiwan Affairs Office of the State Council, Mr Tang Shubei, last month announced a series of restrictions on Taiwanese journalists' reporting in the mainland, including banning telephone interviews.

An official of the same office yesterday said these restrictions would apply to Hong Kong and other overseas reporters.

A number of other government organisations and individuals contacted by the HONGKONG STANDARD declined to talk over the phone, apologising but saying it was a government regulation.

A Hong Kong reporter now working in Beijing said yesterday that even in Beijing, news sources had refused to talk over the phone.

The sources said the interview could begin only when they were face to face.

Official Says Overseas Chinese Show Support

HK0510041389 Beijing ZHONGGUO XINWEN SHE
in Chinese 0939 GMT 2 Oct 89

[Report by Zhao Jian (6392 0256): "Liao Hui Believes Overseas Compatriots Will, as Always, Show Concern for and Support China"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 2 Oct (ZHONGGUO XINWEN SHE)—When meeting some foreign friends of Chinese origin today, Liao Hui, director of the Overseas Chinese Affairs Office of the State Council, said he believed that foreign friends of Chinese origin and Overseas Chinese would show concern for and support China as before.

Liao Hui today met respectively with Chen Chi-ming, vice president of the All-America Federation of Overseas Chinese, and Tang Yu, chairman of the board of directors of Singapore's Dun Na Si [7319 6719 2448] Group, at the International Hotel, and called on Ms Chen Wen-ying, secretary general of the All-America Federation of Overseas China.

When meeting these friends, Liao Hua said: Foreign friends of Chinese origin and Overseas Chinese have made great contributions to New China's construction and development and in promoting contact between China and other countries. At present in particular, when China is facing some difficulties, a large number of friends of Chinese origin and Overseas Chinese have come to attend the 40th anniversary of the founding of the PRC. This is valuable support for China. Liao Hui expressed heartfelt thanks for this.

With regard to the fact that some overseas friends have had some misunderstanding and misgivings about China, Liao Hua said there was nothing strange about this and that he had no intention of blaming them. It was chiefly because China did not conduct enough propaganda at that time and because some overseas press circulated distorted reports. Overseas friends are also concerned about China and are unwilling to see turmoil in China.

Liao Hui said: The quelling of the Beijing counterrevolutionary rebellion has become a thing of the past. In the future, so long as China refrains from changing its basic national policies, continues to carry out reform and opening up, and, on the basis of summing up experience and lessons, makes China more prosperous and powerful, Overseas Chinese and foreign friends of Chinese origin will show concern for and support China as before.

Liao Hui said: At present, the status of Overseas Chinese has improved somewhat. This is due to their own efforts and to China's becoming powerful. Only when China has been built well can it become a powerful support for overseas compatriots.

Liao Hui believes that friends who still have some misunderstanding will be able to change their views after some time.

Tomorrow, Liao will have breakfast with Mr Chen Yu-han from Thailand.

Activities of Dissidents Abroad Reported

Congress Convened

AU2209192089 Paris AFP in English 1850 GMT
22 Sep 89

[by Bruce Shu and Christopher Boian]

[Text] Paris, Sept 22 (AFP)—Leading dissidents exiled from China opened a congress here Friday to organize an alliance opposing the government in Beijing and had lively debates on the group's manifesto and charter.

Delegates and 100 dignitaries and observers gave a rousing ovation when Chen Yizi, a former top aide to ousted Communist Party chief Zhao Ziyang began the proceedings to set up the Federation for Democracy in China (FDC).

"Today we are here to create a political force to oppose the Chinese Communist Party," said Wan Runnan, an exiled businessman and organizer of the three-day congress.

The Chinese Embassy responded to the meeting by bitterly criticising the French authorities, describing it as "an act of flagrant intervention" in Chinese affairs. The embassy also claimed the congress did not conform with the principles of either international or French law.

After a minute of silence in the lecture hall of the Sorbonne University, in memory the pro-democracy demonstrators who died in Beijing on June 4, Mr. Chen introduced representatives from leading foreign international groups. [sentence as received]

Speakers included members of the European Parliament in Strasbourg, the International Federation for the Rights of Man, the West German Social Democrats (SPD) and the Italian Socialist Party.

Shouts greeted a four-member delegation from Poland's Solidarity movement. Standing under a huge placard with the FDC's logo, a hand holding a globe, Solidarity envoy Zbigniew Chlap said: "We hope for solidarity in China."

Paddy Ashdown, leader of Britain's Social and Liberal Democrat Party, offered a congratulatory speech in Chinese and gave his full support.

Mr. Chen also introduced French luminaries including actor Yves Montand and Pierre Berge, head of the Yves Saint Laurent fashion house.

After lunch, a total of 165 delegates from 16 countries around the world began debating the FDC's manifesto and charter at a hotel in the southern Paris suburb of Evry.

Working in four regionally divided groups, the dissidents debated—often with difficulty—the spirit and content of the two draft documents to be passed Saturday.

"Are we here just to read and vote?" a professor from Taiwan said, echoing the concern of many delegates that they had little voice in the federation.

The draft documents were prepared by the FDC's six-member preparatory committee, which includes Mr. Wan, Mr. Chen, the intellectual Yan Jiaqi and the student leader Wuer Kaixi.

Many delegates criticized the draft manifesto, saying it was too intellectual and not politically specific enough.

The United States was represented by 54 delegates, followed by 40 Chinese dissidents and 11 delegates from Britain.

During the opening session, Mr. Wan had called the congress a "classroom in democracy." He said he expected difficulties during the three days, but believed the congress would achieve its goals at the end of three days.

"If we don't have a democratic process we can't guarantee that Tiananmen Square won't happen again," he said.

Mr. Wan is the former head of China's top computer firm Stone Corp. and had given financial and tactical help to student democracy advocates in Beijing.

Not all delegates criticised the manifesto, which had been rewritten seven times by the preparatory committee.

Kang Ning-hsiang, a leader of Taiwan's Democratic Progressive Party, praised the document, saying it contained the "spirit of the escaped freedom fighters from the mainland."

The manifesto started: "The June 4 massacre has changed the course of Chinese history.

"Dictators have used massacre and its repressive aftermath to put China in a sea of blood."

Chairman, Vice Chairman Elected

AU2409150089 Paris AFP in English 1426 GMT
24 Sep 89

[Text] Paris, Sept 24 (AFP)—Yan Jiaqi and Wuer Kaixi, two key leaders of the pro-democracy movement last spring in Beijing, were elected by Chinese dissidents here Sunday as chairman and vice-chairman of China's first organised opposition movement in exile.

The two were elected by secret ballot on the last day of the Federation for Democracy in China (FDC) founding congress.

Mr. Yan will serve as chairman of the FDC's policy-making board of directors with Mr. Wuer Kaixi as his vice-chairman.

Dissidents Elect 15 Delegates

AU2409214489 Paris AFP in English 2051 GMT
24 Sep 89

[Text] Paris, Sept 24 (AFP)—The following 15 delegates were elected Sunday to serve on the governing board of directors of the Federation for a Democratic China:

MAINLAND CHINA

- Yan Jiaqi (chairman)
- Wan Runnan (secretary general)
- Wuer Kaixi (vice-chairman)
- Su Xiaokang
- Chen Yizi

ASIA

- Liao Dawen
- Huang Weicheng
- Yang Guang
- Yang Zhongmei

NORTH AMERICA

- Yang Jianli
- Ma Dawei
- Xu Sike

EUROPE

- Li Guang Chun
- Li Zhongxun
- Wang Guangqiu

Roundup of Paris Meeting

AU2409213889 Paris AFP in English 2047 GMT
24 Sep 89

[by Christopher Boian]

[Text] Paris, Sept 24 (AFP)—The first internationally-coordinated movement to oppose the Beijing regime swung into action here Sunday with leading Chinese dissidents from around the world pledging to bring a democratic government to China.

The new exiled opposition movement, the Federation for a Democratic China (FDC), "will be heard all over the world and represents a new hope for China," said Yan Jiaqi, a former aide to ousted Chinese Communist Party leader Zhao Ziyang elected to lead the movement earlier in the day.

The creation of the FDC, which held its founding congress in a Paris suburb over the weekend, marks the first time that overseas opposition to the Chinese government has become "rationalized and organized," Mr. Yan said at a final news conference.

The congress was attended by 167 carefully-chosen Chinese dissidents from 16 countries, including a number of former Chinese government officials and student leaders wanted by Beijing for their support of the pro-democracy movement crushed by Chinese troops in Tiananmen Square on June 4.

"The more united we are overseas the more pressure we can put on the authorities in Beijing," said Chen Yizi, another former senior aide to Mr. Zhao also elected to sit on the FDC's governing board of directors.

He said there were already clandestine movements linked to the FDC within China, and promised that the new exiled opposition movement would use "all means" available to it to precipitate the downfall of the Chinese Government.

"All regimes based on lies finish by falling," Mr. Chen said.

The authorities in Beijing have already had sharp words for the FDC itself and the French government which allowed the congress to be held on its soil.

In a report Saturday, the People's Daily called the FDC a group of "criminals" with underhanded designs and accused Mr. Yan and student leader Wuer Kaixi of being tied to "reactionary foreign forces, long hostile to the People's Republic of China and to the Chinese people."

But Mr. Wuer Kaixi, who was elected as the 15-member board's vice-chairman, was undeterred and said that "the Chinese people have realized that the only way to counter the terror of the Chinese Communist Party is to be organized."

Mr. Yan said there were already sharp differences of opinion within the party leadership in Beijing which "can only get worse in the years to come."

Asked why Fang Lizhi and Wei Jingsheng—two prominent anti-Beijing activists still in China—had not been named as honorary members of the board, Mr. Wuer Kaixi said the FDC had "great respect" for both men but would not make them members without their consent, in line with democratic practice.

Wan Runnan, an exiled Chinese businessman who lost his job as the head of China's privately-held Stone Corp. computer firm as a result of his financial and logistical backing of the students in Tiananmen Square, was elected to serve as the FDC's secretary general.

He predicted "major political changes" in China after the death of octogenarian paramount leader Deng Xiaoping, and said hatred of the Chinese Government "will lead to the collapse of the present regime."

But despite the threat to Beijing posed by the FDC, which is to have its main headquarters in Paris, there was little detail on what projects the organization was planning for the future.

Mr. Chen said the group would use various media and "exchanges" to get their message through to people in China, but declined to be more specific.

Board members also declined to give details on funding for the FDC, with Mr. Wan, known already to have made large personal contributions to the organization, saying only that the FDC "will carry out its work according to how much money it has."

Quoting a Chinese emperor, Mr. Wan said: "Money is like soldiers—the more the better."

Clear divergences of opinion among the exiles emerged during a weekend of marathon debates on the FDC's founding charter and manifesto, with self-described "pragmatists"—mostly from North America and Western Europe—calling for a businesslike approach to the FDC's operations.

They were countered by calls from some student leaders and other Chinese exiles who have recently left the country for the movement to remain faithful to the ideals of the students in Tiananmen Square.

Mr. Yan compared the FDC to the French opposition movement started by French leader Charles de Gaulle while he was living in exile in Britain during World War II.

He said Beijing would denounce the FDC in the next few days and warned the Chinese authorities: "I would advise them to study closely the case of De Gaulle."

Protest Held Near Embassy

*AU0110182889 Paris AFP in English 1801 GMT
1 Oct 89*

[Text] Paris, Oct 1 (AFP)—A group of pigs intended to symbolize Chinese leaders responsible for the Tiananmen massacre was released at the Chinese Embassy here Sunday in a demonstration on the 40th anniversary of the founding of communist China.

The eight pigs wore hats bearing the names of seven Chinese leaders and a prominent American, Henry Kissinger, held responsible by the 200 demonstrators, nearly all of them Chinese, for the bloody crushing of the pro-democracy protests.

When the police intervened, the pigs were promptly returned to the van by which they arrived.

Speakers at the demonstration for the "martyrs" of the June 3-4 army intervention in Beijing denounced the savagery of the repression and led the chanting of slogans in support of freedom and democracy in China.

Their placards showed the star on the Chinese flag representing the Han ethnic group dripping with blood.

The demonstration was organized by six associations hostile to the present Chinese Government, including the Federation for Democracy in China set up in Paris last month.

Veteran Diplomats Recall Diplomatic Milestones

*OW3009132189 Beijing XINHUA in English
0837 GMT 30 Sep 89*

["Veteran Diplomats' Memories Show China's Style of Diplomacy (by Zhou Shuchun)"]—XINHUA headline]

[Text] Beijing, September 30 (XINHUA)—Veteran diplomat Fu Hao grew solemn as he recalled that "long, unforgettable talk" with the late Chairman Mao Zedong on a November evening in 1971, days after China's seat was restored at the United Nations.

Sitting in his study at Zhongnanhai, Mao was talking to Fu and other members of the Chinese delegation that was soon to attend the 26th session of the UN General Assembly. Apparently in high spirits, the chairman unhurriedly dwelled on the significance of the delegation's trip and the manner Chinese diplomats should have:

"In handling foreign affairs, we must dare to struggle and know how to struggle, be independent, neither supercilious nor obsequious, thus showing the spirit of us Chinese people."

"In those few words, Chairman Mao summarized the style of China's diplomacy," said Fu, a former vice foreign minister. In separate interviews with XINHUA recently, three other veteran diplomats made similar recollections of their long diplomatic careers.

"The ship of New China's diplomacy set off amidst great storms, and displayed unique characteristics from the very beginning," former Vice Foreign Minister He Ying said.

Upon its founding, New China "made a clean break from the kowtow diplomacy of the Kuomintang regime and drew up a completely new, independent foreign policy, ending the more than 100-year history of Old China's humiliating diplomacy," said Han Nianlong, another former vice foreign minister.

In line with the prevailing domestic and international conditions, the People's Republic of China signed a treaty of friendship, alliance and mutual assistance with the Soviet Union soon after its founding. Even then, Han said, "Chairman Mao and Premier Zhou Enlai often exhorted us to 'think with our own brains and walk on our own legs.'"

At a conference attended by Chinese envoys abroad, He Ying recalled Premier Zhou said that "we have a basic stand in conducting diplomacy, that is the independent stand of the Chinese nation: China's internal affairs brook no interference of any foreign country."

"We have always sought to develop ties with all nations on the basis of the Five Principles of Peaceful Coexistence," said Fu Hao. "But we never barter away state sovereignty, national dignity or political principles."

By the 1970's, Sino-U.S. relations, which had been frozen for two decades, began to thaw, but the Taiwan issue posed a stumbling block.

"On this issue concerning state sovereignty, we have engaged in an unyielding struggle," China's first Ambassador to the United States Chai Zemin said. Premier Zhou Enlai once flatly told U.S. leaders that no foreign country would be allowed to interfere on the Taiwan issue, which is completely China's own internal affair.

Later on, Deng Xiaoping told visiting President Gerald Ford and other senior U.S. officials that the establishment of diplomatic ties between the two countries had three prerequisites: "Abolition of the U.S.-Taiwan Mutual Defense Treaty, withdrawal of U.S. troops from Taiwan and the severing of diplomatic relations with Taiwan." As for the reunification of China, Deng added: "American friends don't have to worry."

While China attaches importance to Sino-Japanese friendship, it has maintained "a firm position and adopted a clear-cut attitude on matters of principle," said Fu Hao, who is also former Chinese ambassador to Japan.

"Adhering to principles while showing flexibility." This is how a U.S. diplomat described the Chinese style of diplomacy to Chai Zemin.

By "seeking common ground and reserving differences," China contributed to the reaching of an agreement at the 1955 Bandung Conference in Indonesia, Han Nianlong said.

When some delegates made unfriendly remarks about China, some going so far as to suggest that China was "trying to subvert" its neighbors, Premier Zhou Enlai told the conference the Chinese delegation had come for unity and not to quarrel, to seek common points and not differences. His speech won extensive praise.

"We are neither supercilious to the small countries nor obsequious to big ones," said He Ying. "We never pose as a big power towards the smaller nations in Africa and Asia."

Shortly before Premier Zhou Enlai's visit to Ghana in the early 1960's, an attempt had been made on the life of President Kwame Nkrumah, leaving the situation in the country turbulent. In response to proposals to reschedule the visit, however, Zhou said: "Since they have difficulties, we should go there all the more." Zhou proposed that ceremonies at the airport be cancelled and Nkrumah not take part in activities outside the presidential palace.

Sometimes, China's style of diplomacy is concretely expressed through the personal charisma of individual diplomats. Deng Xiaoping's 1979 visit to the United States left a deep impression on many people, according to Chai Zemin.

Deng made speeches, fielded questions from groups of journalists and communicated China's views on world affairs and Sino-U.S. relations to the American public in a face-to-face manner.

Deng's "firmness as a statesman, his charming personality and quick-witted, sharp rhetoric, won the respect of the American people," Chai said.

"The Americans saw a friendly, peace-loving and very human Chinese leader," Chai said.

To He Ying, the "open, outspoken, promise-keeping and justice-upholding" style of China's diplomacy finds an outstanding example in its unswerving support for the struggle of Third World nations to win and safeguard national independence.

In the late 1950's and early 1960's, national liberation movements swept the African continent. Sixteen African nations became independent in 1960 alone, a year called the "year of African independence." That year, He Ying recalled, China would do three things whenever a country declared independence: First, the "PEOPLE'S DAILY," China's most prestigious newspaper, would carry an editorial, extending congratulations; second, a cable of congratulations would be sent by Premier Zhou Enlai; third, Foreign Minister Chen Yi would cable to recognize the nation.

In late 1970, a foreign mercenary army invaded a West African country and attacked its presidential palace. On learning the news, Premier Zhou Enlai immediately called He Ying and other diplomats to the Great Hall of the People, and decided on the spot to send a cable the following day to express condolences to the president and denounce the invaders, and to provide financial and military aid.

As a developing country, China always speaks for the Third World nations at international forums, said Han Nianlong, now president of the Chinese People's Institute of Foreign Affairs. "And we are not afraid of offending anyone," he added.

That is perhaps partly why the Chinese delegation was met with thunderous applause as they stepped into the hall of the UN General Assembly on November 15, 1971.

On hearing the speech by Qiao Guanhua, chairman of the Chinese delegation, an African delegate said: "This is just what we have expected and needed." Another delegate remarked that Qiao's speech "fully expressed China's just stand."

Forty years have elapsed since New China started afresh to build up its entirely new foreign policy. Today, China has forged diplomatic relations with 139 countries, conducts economic, trade, scientific, technological and cultural exchanges and cooperates with more than 180 nations and regions, and extensively participates in the activities of the United Nations and other international organizations.

In the past four decades, Han Nianlong said, China has "timely readjusted" its foreign policy in the light of the constantly changing world situation to conform to the tide of the times. "However, the style of New China's independent foreign policy of peace has remained unchanged," he said.

Amity Group Hosts National Day Reception

OW3009062989 Beijing XINHUA in English
1506 GMT 29 Sep 89

[Text] Beijing, September 29 (XINHUA)—The Chinese People's Association for Friendship With Foreign Countries (CPAFFC) hosted a reception here this evening to mark the 40th anniversary of the founding of the People's Republic of China.

Proposing a toast at the reception, CPAFFC President Zhang Wenjin said as China celebrates its 40th National Day, the CPAFFC has traversed its course of 35 years.

"Adhering to its basic purpose of developing the friendship and mutual understanding with all the peoples and safeguarding world peace, our association has made great progress in its endeavour," Zhang said.

Friendly organizations and personages having contacts with the CPAFFC are found in over 140 countries, he said, adding "by the end of 1988, different provinces and municipalities in China have established relations of friendship with cities in 38 countries, and local organizations having friendship ties with foreign countries now number 136.

Zhang believed that in the years to come, the socialist undertakings in China will further prosper.

Likewise, he went on, with the support of friends from all walks of life at home and abroad, his association will make due contributions to the furtherance of friendship between the Chinese people and the peoples of other countries and to the cause of world peace and the progress of humanity.

A folk song and dance troupe from southwest China's Yunnan Province gave a performance at the reception.

Present at the reception were I.V. Arkhipov, vice-chairman of the Soviet-China Friendship Association; Yun Ki-chong Korean minister of finance; Stefan Murin, chairman of the Czechoslovakia-China Friendship Association; as well as guests from Japan, the United States, Colombia, Canada, Malta, the Netherlands and Belgium.

Foreign Experts Honored for Contributions

Accomplishments Cited

OW2709093389 Beijing XINHUA in English
0843 GMT 27 Sep 89

[Text] Beijing, September 27 (XINHUA)—More than 150,000 foreign experts have worked in China over the

past four decades, said an official from the Bureau of Foreign Expert Affairs under the State Council.

About four-fifths of the experts came to China in the 1978-88 period. Together with many Chinese people, they have worked conscientiously for China's four modernizations drive.

In the economic sphere, they have taken part in such key state construction projects as the first phase of Baoshan Iron and Steel Complex, 300,000-ton ethylene projects in Daqing Oilfield and in Shandong and Jiangsu Provinces, and on chemical works in northwest China's Xinjiang Uygur Autonomous Region.

Experts in the cultural field have helped China train 210,000 college students and 46,000 postgraduates and compile 3,000 books during the Sixth Five-Year Plan period (1981-85).

Certificates Awarded

OW2809085689 Beijing XINHUA in English
0833 GMT 28 Sep 89

[Text] Beijing, September 28 (XINHUA)—The State Bureau of Foreign Experts Affairs today awarded certificates of honor to 78 foreign experts currently working in China, in recognition of their contribution to the country's modernization drive.

In their speeches at the awarding ceremony, Deputy Secretary-General of the State Council Liu Zhongde and Director of the State Bureau of Foreign Experts Affairs Wang Nai, thanked and congratulated the certificate receivers.

The introduction of "foreign talents" and the promotion of international personnel exchanges remain a long-term policy for China's modernization, Liu said.

In the past decade of reform and opening, Liu said, up to 120,000 foreign experts have come to work in China upon invitation or engagement, a figure that is four times the total in the three preceeding decades.

Agroscintists Praised

OW2709213789 Beijing XINHUA in English
1546 GMT 27 Sep 89

[Text] Beijing, September 27 (XINHUA)—Four foreign agroscintists who have made outstanding contributions to China's agricultural research were honored this evening at the International Club.

Among them were Canadian scientist Dr. H. H. Cheng and Japanese scientists Yaoita Tadashi, Kinchi Morita and Katsutoshi Miwa.

Dr. Cheng has been to China six times since 1986 to teach Canadian methods of tobacco growing in the northeastern China province of Heilongjiang. His new strain of tobacco seeds has been used in 52,000 ha in the province.

Kinichi Morita came to China in 1985 at the invitation of the Ministry of Agriculture. His new strains of water melon seeds, "Jingxin No. 1", were planted on 25 percent of the total water melon growing area this year around Beijing.

The other two Japanese scientists were honored because they have helped China in fisheries research and in forging closer Sino-Japanese ties in agriculture.

He Kang, Chinese minister of agriculture, said China has invited about 1,000 foreign agroscientists from 20 countries since 1978 to help China in agricultural research and train young technicians.

A total of 15 foreign scientists have been honored by the Chinese Government since 1986.

Dalian City Mayor Meets With Diplomatic Envoys

SK2509124989 Shenyang Liaoning Provincial Service
in Mandarin 2300 GMT 22 Sep 89

[Text] Wei Fuhai, mayor of Dalian City, and other leading persons met with heads and officials of diplomatic missions of 24 countries in China, who had come to attend the Summer of Dalian of the Second China Art Festival, at Dalian's (Lipin) Hotel today. Wei Fuhai introduced Dalian City's situation in opening to the outside world, and exchanged views and discussed with them projects concerning economic and trading cooperation. At the invitation of the Dalian City government, the ambassadors, ministers, counselors with the rank of minister, commercial counselors, military attaches and their wives, from Venezuela, Zaire, Argentina, Iraq, Turkey, Sri Lanka, Czechoslovakia, Mexico, United States, Colombia, Sweden, Yugoslavia, Finland, Poland, the Congo, the Federal Republic of Germany, Thailand, Denmark, Britain, Australia, India, Soviet Union, Austria, and [words indistinct] arrived in Dalian from Beijing on the evening of 21 September. On the morning of 22 September, they attended the opening for the Summer of Dalian festival and toured the city.

Twin-City Policy Credited With Diplomatic Gains

OW1809031989 Beijing XINHUA in English
1028 GMT 16 Sep 89

[Text] Beijing, September 16 (XINHUA)—By the end of 1988, 332 twin city relationships had been established between Chinese and foreign cities, autonomous regions and provinces, according to Liu Gengyin, vice-chairman of the Chinese People's Friendship Association with Foreign Countries.

In 1973, China's first sister-city relationship was established—between Tianjin and Kobe in Japan. Since then, twin-city diplomacy has become an important factor in implementing China's open-door policy and promoting cooperative ties with the outside world.

The twin-city policy, Liu said, is conducive to promoting friendship and understanding between local governments and the people of China and foreign countries.

Before every twin-city agreement was made, China reaffirmed its "one-China" position to avoid any possible occurrence of "two-China" or "one-China and one-Taiwan" phenomena.

Twin-city diplomacy is beneficial to trade and economic cooperation. Liu said that by the end of 1987, 500 million U.S. dollars had been earned from the 87 commodities trade exhibitions held by 13 sister cities.

The twin-cities also offer convenient channels to introduce foreign capital into China and Chinese investment in foreign countries, particularly in the form of joint ventures, Liu said.

The China-Solomon Chicken Farm in Guadalcanal Province in the Solomon Islands built by its sister province, China's Guangdong Province, helped provide people in the Solomon Islands with the cheapest eggs and vegetables they had ever had, attracting notice praise from the United Nations.

Scientific and technological exchanges are also a benefit of sister cities. Sichuan Province provided 200 chickens to the American state of Michigan and Michigan helped Sichuan set up a dairy farm.

Twin-cities also promote personnel exchanges between China and the outside world. By 1987, more than 4,300 experts, graduates and visiting scholars from 18 Chinese cities and provinces had been sent to their respective twins and 818 foreigners had been invited to China.

Liu ended by saying that China will strengthen and extend its twin-city policy to make greater achievements.

United States & Canada

Henry Kissinger Fetes Qian Qichen in New York

OW0510112289 Beijing XINHUA in English
0712 GMT 5 Oct 89

by Qian Wenrong and Su Yuanchun

[Text] New York, October 4 (XINHUA)—Former U.S. Secretary of State Henry Kissinger gave a dinner in his residence here tonight in honor of Chinese Foreign Minister Qian Qichen, who has been here attending the 44th Session of the United Nations General Assembly.

Kissinger and Qian had a cordial conversation at the dinner.

Reviewing the course of development of Sino-U.S. relations in his toast, Dr. Kissinger pointed out that China is a very important country, that China and the United States share common interests and that China plays an important role in the peace and stability in Asia and the world as a whole.

He touched on the principle of non-interference in the internal affairs of other countries and that of mutual respect, as contained in the Shanghai Communiqué signed by China and the United States.

In his toast in reply, Qian expressed his thanks for Dr. Kissinger's grand hospitality. Referring to bilateral relations, the Chinese Foreign Minister said that China and the United States have different social systems and concepts of value. State-to-state relations should be developed on the basis of seeking common interests, he noted.

Qian expressed his conviction that Sino-U.S. relations will grow further on the basis of the three communiqués guiding the relations between the two countries.

Present also on the occasion were former U.S. Secretary of State Cyrus Vance and a number of noted figures in the business and journalistic circles. During the dinner, the Chinese foreign minister answered questions put to him by those present tonight.

Jiang Zemin Meets Health Foundation Leader

*OW0510074689 Beijing XINHUA in English
0630 GMT 5 Oct 89*

[Text] Beijing, October 5 (XINHUA)—Chinese Communist Party General Secretary Jiang Zeming met William Walsh, president and chief executive officer of the People-to-People Health Foundation, Inc., the United States here this morning.

Expressing welcome to Walsh for his visit to China, Jiang said he appreciates the American foundation's cooperation with the Chinese health and medical circles and wishes further cooperation successful.

Wang Zhen Meets Fluor Chairman

*OW0410215389 Beijing XINHUA in English
1645 GMT 4 Oct 89*

[Text] Beijing, October 4 (XINHUA)—Chinese Vice-President Wang Zhen, who is also honorary president of the China Association for International Friendly Contacts, met with and hosted a banquet for David S. Tappan, chairman of the Fluor Corp. of the United States, and his party in the Great Hall of the People here this evening.

Wang Zhen Meets With Professors

*OW0410122889 Beijing XINHUA in English
1158 GMT 4 Oct 89*

[Text] Beijing, October 4 (XINHUA)—Chinese Vice-President Wang Zhen today met Y.H. Ku, retired professor of the University of Pennsylvania of the United States, Mrs. Ku and John C. Chen, professor of the Temple University of the United States.

Soviet Union

Moscow Celebrates 40 Years of Relations

*OW0510051089 Beijing XINHUA in English
0138 GMT 5 Oct 89*

[Text] Moscow, October 4 (XINHUA)—The Soviet Union celebrated the 40th anniversary of the Soviet-Chinese relations and the Soviet-Chinese Friendship Society today.

Vice Foreign Minister Boris Nikolayevich Chaplin and other officials attended a celebration evening party co-sponsored by the Soviet-Chinese Friendship Society, the Soviet Society for Friendship with Foreign Countries and the home of friendship among world people.

Sergey Leonidovich Tikhvinsky, well-known orientalist and chairman of the Soviet-Chinese Friendship Society, praised President Mikhail Gorbachev's visit to China in May, saying it opened a new page in Soviet-Chinese relations. The normalization of the two countries' relations is in line with the long-term interest of both peoples, he said.

Chinese Ambassador Yu Hongliang said in his speech that Chinese people treasured Chinese-Soviet friendship developed in the days of revolution and socialist construction, and believed that the two countries' friendly cooperation will further develop.

Article Reviews Developments in Relations

*HK0510080189 Beijing RENMIN RIBAO in Chinese
3 Oct 89 p 3*

[Article by Shu Yan (5289 1484): "A Memorable Day—in Celebration of the 40th Anniversary of the Establishing of Diplomatic Relations Between China and the Soviet Union"]

[Text] Today marks the 40th anniversary of the establishing of diplomatic relations between China and the Soviet Union. Forty years ago this very day New China established diplomatic relations with the Soviet Union immediately after its birth. As far as the peoples of China and the Soviet Union are concerned, it was a memorable day.

China and the Soviet Union are two near neighbors linked by common mountains and rivers. The peoples of the two countries share a traditional good friendship and have sympathized with and supported each other in the protracted revolutionary struggle for socialism. Following the establishing of New China, the Soviet Union took the lead in recognizing it and announced its establishing of diplomatic relations with New China. This was a very great support and powerful encouragement to the Chinese people, who had just stood up, and to the newly born PRC.

For a period following the establishing of diplomatic relations between China and the Soviet Union, the

friendly and cooperative relations between the two countries developed fairly rapidly. The Chinese people will not forget the assistance provided to China by the Soviet Union in many ways. The first batch of industrial projects which the Soviet Union helped build for our country played an important role in New China's rapid recovery, development of the national economy, and establishing a socialist industrial foundation. Meanwhile, the Chinese people provided the Soviet Union with due support and help to the best of their ability.

Regrettably, beginning in the 1960's, due to reasons already known to all, there were twists and turns in Sino-Soviet relations, which were in an abnormal state for a long time. Nevertheless, what is worth mentioning is that even in the days when Sino-Soviet relations were worsening seriously, the bonds of friendly feelings between the Chinese and Soviet peoples were never severed. It is precisely these profound friendly feelings which had taken root among the peoples of the two countries that became the moving force eventually pushing relations between China and the Soviet Union onto the track of normal state-to-state relations. In the last few years, relations between the two countries have kept improving, thanks to the concerted efforts of the two countries. On 16 May this year, Chairman Deng Xiaoping and President Mikhail Gorbachev held a historic meeting in Beijing, thus achieving normalization of relations between the two countries.

The two sides agreed that the two countries would establish new types of interstate relations on the basis of the Five Principles of Peaceful Coexistence. The Sino-Soviet relationship in the days ahead will be different from that of the confrontation in the 1960's and 1970's, and also different from that of the alliance in the 1950's. From that period on China and the Soviet Union bid farewell to the past and ushered in a new period of establishing good neighborly and friendly relations between the two countries.

Reviewing the tortuous course of Sino-Soviet relations over the last 4 decades, one can clearly discover a law: This historical curve always runs up and down, centering on the coordinate axis of the Five Principles of Peaceful Coexistence. The distance of the historical curve from this coordinate axis forms a direct ratio to the swings in Sino-Soviet relations over the last 40 years. When the distance is short, relations between the two countries tend to be good. When it is remote, relations become reversed. This is the precious enlightenment given to us by the history of Sino-Soviet relations over the past 4 decades. Today China and the Soviet Union have reached a consensus on this point. In the "Sino-Soviet Joint Communiqué," both sides solemnly declared that: The two countries "would develop their relations on the basis of the universal principles guiding state-to-state relations, namely mutual respect for sovereignty and territorial integrity, mutual nonaggression, noninterference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence." One might well say that this consensus, which has not come easily, is a

milestone in the relations between China and the Soviet Union becoming mature and stable.

The establishing of good neighborly and friendly relations between China and the Soviet Union on the basis of the Five Principles of Peaceful Coexistence not only corresponds to the fundamental interests of the people of the two countries, but is also conducive to the peace and stability of Asia and the whole world and to promoting the establishing of a new international political order on the basis of the Five Principles of Peaceful Coexistence. It is just because of this that the normalization of relations between China and the Soviet Union is universally welcomed by the peoples of all countries in the world.

Now, under the leadership of the CPC, the Chinese people are fighting to build China into a socialist, prosperous, powerful modern country with democracy and civilization. To achieve this magnificent goal, China will continue to forge ahead along the road of adherence to the four cardinal principles as well as reform and opening up to the outside world and will develop as usual friendly and cooperative relations with all countries in the world, including the Soviet Union, on the basis of the Five Principles of Peaceful Coexistence.

We are pleased to see that since the top-level meeting between China and the Soviet Union, relations between the two countries have developed steadily and healthily. In accordance with the spirit of the "Sino-Soviet Joint Communiqué," both sides have carried forward cooperation in such areas as economic relations and trade, science and technology, and culture in an active and planned way and conducted useful exchanges in their experiences in socialist construction and reform.

It can thus be said that there has been a good beginning for both sides to establish state-to-state relations of a new type on the basis of the Five Principles of Peaceful Coexistence. On the occasion of marking the 40th anniversary of the establishing of relations between China and the Soviet Union, looking ahead, we are convinced that so long as we unswervingly forge ahead along the road opened up by the Sino-Soviet top-level meeting, we will surely bring benefit to the Chinese and Soviet peoples and that this will be advantageous to the peace and development of the world.

Chita Oblast Sends Greetings to Inner Mongolia

SK3009101389 Hohhot Inner Mongolia Regional Service in Mandarin 0020 GMT 30 Sep 89

[Text] Prior to National Day, (Markov), chairman of the Radio and Television Commission of Chita Oblast of the Soviet Union, sent a congratulatory message to Zhulanqike, director of the Inner Mongolia Regional Radio and Television Department, to congratulate us on our country's National Day. The congratulatory message states: On the occasion of the PRC's 40th anniversary,

let me extend congratulations to our respective colleagues and wish you success in everything, good health and happiness, and a constant and smooth development in our mutual cooperation.

Northeast Asia

Japan's Kaifu on Resumption of Cooperation

OW0410161989 Beijing XINHUA in English
1555 GMT 4 Oct 89

[Text] Tokyo, October 4 (XINHUA)—Japanese Prime Minister Toshiki Kaifu said today that Japan will continue to cooperate with China's modernization so long as the country does not change its basic stance for the open door policy.

Kaifu's remarks were in response to a question from a representative of lawmakers of the Liberal Democratic Party, the JIJI PRESS reported.

The prime minister said that cooperation and major exchanges with China have basically come to a standstill since early June. However, he said he hopes China will make positive efforts in creating favorable environment for his country to cooperate with it.

Tokyo Gathering Commemorates National Day

OW0310154389 Beijing Domestic Service in Mandarin
2230 GMT 26 Sep 89

[By station reporter Chen Feng, from the "News and Press Review" program]

[Text] Over 200 Japanese from all walks of life held a rally in Tokyo the evening of 26 September to celebrate heartily the 40th anniversary of the founding of the People's Republic of China. Japanese Prime Minister Toshiki Kaifu sent a congratulatory message to the rally.

The message says: To carry the friendly relations between Japan and China into the 21st century, cooperation between governmental and private sectors is needed to expand Japanese-Chinese exchanges in broad areas and to build mutual trust between the peoples of the two countries.

Speaking at the rally, Chinese Ambassador to Japan Yang Zhenya recalled New China's achievements over the past 40 years and disclosed the policies that will be pursued for its future development. He indicated that China will continue to carry out its policies of reform and opening to the outside world and to work to further the friendly cooperation with Japan.

A number of Japanese Diet members, as well as the wife of former Foreign Minister Sonoda, delivered ebullient congratulatory speeches at the rally.

Wu Xueqian Marks Anniversary of DPRK Ties

OW0510095889 Beijing XINHUA in English
1642 GMT 4 Oct 89

[Text] Beijing, October 4 (XINHUA)—The Chinese Foreign Ministry hosted a banquet here today to mark the 40th anniversary of the establishment of diplomatic relations between China and the Democratic People's Republic of Korea (DPRK).

A delegation from the DPRK Foreign Ministry led by Vice Foreign Minister Cha Tong-chu was present on the occasion.

The Chinese and Korean people have supported and encouraged each other and marched forward hand in hand in the past 4 decades, said Chinese Vice Foreign Minister Liu Shuqing, as he proposed a toast.

China firmly supports the reasonable proposals put forward by the Korean party and Government to win the reunification of their fatherland, he reiterated.

In his toast, Cha said the two peoples always take the revolutionary cause of the other as their own, and ties of friendship and unity have been strengthened.

This friendship and unity cemented with blood in the struggle against imperialism and in the common cause of building socialism and communism, he said, will enjoy further development along with the passing of time.

Attending the banquet were Wu Xueqian, member of the Political Bureau of the Chinese Communist Party (CPC) Central Committee and vice premier, Zhu Liang, head of the International Liaison Department of the CPC Central Committee, and Zheng Tuobin, minister of foreign economic relations, and diplomats from the DPRK Embassy in Beijing.

Prior to the banquet, Wu Xueqian had a cordial conversation with the Korean visitors, when he reaffirmed China's support for President Kim Il-song's propositions on the reunification of Korea.

DPRK Delegates Mark National Day in Hunjiang

SK0410021989 Changchun Jilin Provincial Service
in Mandarin 2200 GMT 2 Oct 89

[Text] On 1 October, Hunjiang City held grand theatrical performances to celebrate the 40th anniversary of the founding of the PRC. Some 150,000 people watched the performances. A garden party attended by some 10,000 people and a dance party attended by some 1,000 people were also organized.

At the invitation of the Hunjiang City Government, a party and government amity delegation from the DPRK's Songgan County, headed by (Kang In-sop), chairman of the Songgan County Administrative and Economic Guidance Committee, also visited Hunjiang to join in the celebrations.

Nampo City Group Marks National Day in Tonghua

SK0410020989 Changchun Jilin Provincial Service
in Mandarin 2200 GMT 2 Oct

[Summary from Poor Reception] The (Yihuangshan) park in Tonghua City was filled with autumn scenery on the National Day.

On the morning of 1 October, principal party, government, and army leading comrades of Tonghua City attended the garden party to mark the 40th anniversary of the founding of the PRC, along with some 40,000 people in (Sancheng) District.

Two amity delegations separately organized by the security organ and the railway administration of Nampo City of the DPRK's Chagang Province are in our province to attend the celebrations, and were also invited to the party.

Some staff members and workers from the Tonghua Iron and Steel Company, part-time cultural troupes, and some specialized art ensembles in Tonghua City gave performances at the party.

National Day Painting Exhibit Opens in Pyongyang

OW0110083689 Beijing XINHUA in English
1536 GMT 30 Sep 89

[Text] Pyongyang, September 30 (XINHUA)—An exhibition of traditional Chinese paintings by young Chinese artists opened here this afternoon to honor the 40th anniversary of the founding of the People's Republic of China.

At the opening ceremony, Vice Chairman Kim Pok-sin of the Administration Council of the Democratic People's Republic of Korea (DPRK), Vice Minister Chang Chol of the DPRK Ministry of Culture and Art, and Chinese Ambassador Weng Yezhan each expressed hope that DPRK-China friendship consolidates and develops.

Accompanied by Weng, the DPRK vice chairman and vice minister viewed 69 works of art.

The paintings on display are all from northeast China's Liaoning, Jilin and Heilongjiang Provinces. They display the beauty and customs of northern China and the success China has made since it opened to the outside world.

The exhibition will last for two weeks.

Southeast Asia & Pacific

Warships Reported 'Cruising' Near Spratlys

HK0510012789 Hong Kong SOUTH CHINA
MORNING POST in English 5 Oct 89 p 13

[By David Chen]

[Text] Chinese warships have been cruising in the South China Sea, particularly in the vast expanse of waters around the Spratlys, in recent weeks—following the discovery that the Vietnamese had taken up position on three more atolls and shoals.

Vietnam has lodged an official complaint. The Chinese charge d'affaires was called to the Vietnamese Foreign Ministry and was given a protest note for sending Chinese warships around islands where only scientific posts had been set up and over which, in any case, Vietnam claims sovereignty.

The tension in the South China Sea has once again burst into the open, and it is not merely a war of words. By sending warships to cruise around the islands where Vietnam has lately stationed troops, Beijing is giving the signal that it not only objects to "encroachment" by Vietnam into what China claims to be Chinese territory, but is prepared to back up its objection with action.

The dispute in the South China Sea, which reached its climax last year with the Chinese Navy roundly beating the Vietnamese Navy and retaking one of the islands, subsided in the following months, but both sides were preparing for an air and naval showdown.

The Vietnamese were building new airports along its coasts—less than 600 kilometres from those islands where they station garrisons. The Chinese have been preparing for action, it was reliably learned, since late last year.

However, a combination of factors, including a shortage of budget funds to launch hostilities, persuaded the Chinese against taking action.

Over the past six months the Chinese have also received intelligence reports that there has lately been no activity by Vietnam in the South China Sea.

Beijing was therefore taken aback when it learned that the Vietnamese, apart from continuing to station themselves on those islands, islets and atolls they had taken possession of since 1975, had landed on three more shoals and reefs.

This action, the Chinese learned, was taken while Beijing was pre-occupied with the Tiananmen Square crackdown.

Last Thursday the Chinese Foreign Ministry spokesman, Mr Li Zhaoxing, broke the silence and demanded that the Vietnamese withdraw from all the islands in the Spratlys, which, he declared, are under Chinese sovereignty.

Military analysts said the Chinese declaration was made after a series of exercises that tested the preparedness of the navy and the navy's air arm in defence of China's territorial waters and offshore islands.

These exercises included submarine manoeuvres in atoll-dotted coral waters of the South China Sea, co-ordination between various air and naval units over a long period under simulated conditions, and equipping

warships with sea-to-air missiles—apparently to complement the capabilities of long-range fighters.

Observers said there are as yet no signs that hostilities are about to break out, but with the escalation of criticisms and demands such a possibility should not be ruled out.

The Spratlys group is one of four in the South China Sea over which the Chinese claim of sovereignty dates back several centuries. Parts of the group are also claimed by Vietnam, the Philippines and Malaysia.

For several years China has offered to talk to the Philippines and Malaysia over the dispute, but such an offer has not been extended to Vietnam.

Further on Lao Leader's Official Visit

Entourage Listed

*OW0510094989 Beijing XINHUA in English
0923 GMT 5 Oct 89*

[Text] Beijing, October 5 (XINHUA)—Kaysone Phomvihane, chairman of the Council of Ministers of the Lao People's Democratic Republic and general secretary of the Central Committee of the Lao People's Revolutionary Party (LPRP), arrived here this afternoon on an official goodwill visit to China at the invitation of Premier Li Peng.

This is the first time for Kaysone to visit China since 1977.

Among those accompanying Kaysone's visit were Sali Vongkhamsoo, member of the Political Bureau of the LPRP Central Committee, member of the secretariat of the party Central Committee, vice-chairman of the Council of Ministers and Minister of Economy, Planning and Finance; Thongsavat Khaikhamphouthou, member of the party Central Committee, acting minister of foreign affairs and acting head of the International Liaison Department of the party Central Committee; and Phao Bounnaphon, member of the party Central Committee, minister of Trade and Foreign Economic Relations and chairman of the Foreign Economic Cooperation and Relations Committee.

Greeting the guests at the airport was Ruan Chongwu, chairman of the Chinese Government Reception Committee and minister of labor.

Premier Li Peng will hold a welcoming ceremony for Kaysone tomorrow morning.

Discusses Normalizing Ties

*OW0410160289 Beijing XINHUA in English
1521 GMT 4 Oct 89*

["Phomvihane: Normalizing Laotian-Chinese Ties Favors Two Peoples (by XINHUA correspondent Huang

Yong, PEOPLE'S DAILY correspondent Liu Aicheng)"]—XINHUA headline]

[Text] Vientiane, October 4 (XINHUA)—Normalization of Laotian-Chinese relations is in keeping with the trend of the times and will contribute to peace and stability in Southeast Asia, the head of Laos' Communist Party said today.

"I feel very glad to see the increasing development in the relations of Laos and China," Kaysone Phomvihane, general secretary of the Central Committee of the Lao People's Revolutionary Party told correspondents for XINHUA and "PEOPLE'S DAILY" today.

Laos and China have restored state relations and are continuing to resume relations between their Communist parties.

Phomvihane promised that the Laotian People's Democratic Republic will do its utmost to strengthen and maintain friendship and unity with China.

Phomvihane's comments came on the eve of his October 5-12 official goodwill visit to China.

On Laotian-Chinese economic and trade cooperation, Phomvihane noted that both countries have policies of domestic reform and opening to the outside world and that economic and trade cooperation between them will be beneficial and necessary to each other's economic development.

He also paid tribute to the achievements the Chinese people have made during the past 40 years under the leadership of the Chinese Communist Party.

"On the occasion of celebrating the Chinese people's glorious and historical day," he said, "The Laotian people express their sincere thanks for the precious support given by the Chinese people in the cause of the Laotian revolution."

The party chairman said Laos' reform policy has received support from all Laotian nationalities.

"During the past two or three years," he said, "We have made preliminary and good results in implementing the reform policy, but at the same time we have met with a lot of difficulties."

He said the Laotian People's Revolutionary Party, Government and all of its nationalities are united in working to overcome these problems and turn Laos into a prosperous country.

1,500 Filipino-Chinese at National Day Celebration

*OW0210192189 Beijing XINHUA in English
1849 GMT 2 Oct 89*

[Text] Manila, October 2 (XINHUA)—Over 1,500 Filipino-Chinese packed the Metro Manila Theater tonight to attend a cultural recreation party marking the 40th anniversary of the founding of the People's Republic of China.

The party was sponsored by the Filipino-Chinese community.

There were many songs and dances infusing with rich Chinese national color, such as lion dance, mixed chorus "My Chinese Heart", "Full Moon" and "The Place Where Peach Flower is in Full Bloom."

The audience burst into applause after their brilliant performances. All actors and actresses, aged men or teenagers, are amateur. They have spent most of their spare time on rehearsing these performances.

Cai Zong Bing, one of the organizers, said in the opening remarks that "We are gathered here tonight to celebrate the 40th anniversary of our great motherland. In the past four decades, under the leadership of the Chinese Communist Party, China has become a strong country in the world. We Overseas Chinese feel proud and elated."

The cultural recreation party is part of celebration activities held by the Filipino-Chinese community here.

The Association for Philippines-China Understanding (APCU) hosted a reception in Manila to celebrate the National Day of China. And a painting exhibition, sponsored by the APCU, opened here Sunday. The paintings on display, done by APCU members, are depicting the landscapes of both China and the Philippines.

Manila Photo Exhibition Marks National Day

OW0210133889 Beijing XINHUA in English
1309 GMT 2 Oct 89

[Text] Manila, October 2 (XINHUA)—"We Asians should take pride in the progress" achieved by China in transforming a "country that was ravaged by war and turning it within four decades into a world power in many ways," stated Philippine Undersecretary of Education, Culture and Sports Luis Baltazar.

He said this when addressing the opening ceremony of the photographic exhibition "A stronger China on the march" here this afternoon to mark the 40th anniversary of the founding of the People's Republic of China.

Baltazar said that China is now first in many things and not too far in many other things. "Considering that this was done through indigenous talents, skills and resources, it is an achievement that is even more to be admired and emulated," he added.

He praised the traditional kinsman-like friendship between the Philippine and Chinese people and expressed the hope that the photo exhibition would help Filipinos "to know and understand China better."

The one-week photo exhibition was sponsored jointly by the National Library of the Philippines, the Federation of Filipino-Chinese Association and the Chinese Embassy in the Philippines.

On display were more than 80 color photos showing the successes China has made in the development of industry, agriculture, culture, science and technology in the past 40 years.

Well over 200 prominent figures from various sectors here attended the opening ceremony and viewed the photographs.

Speaking on the occasion, Philippine Commissioner of Immigration and Deporoation Bienvecido Alano, Philippine Library Director Narcissa Munasque and Chinese Ambassador to the Philippines Wang Yingfan expressed the common hope that friendly relations between peoples of the two countries would grow with each passing day.

Burmese Overseas Chamber Observes National Day

OW0110152189 Beijing XINHUA in English
1046 GMT 1 Oct 89

[Text] Yangon (Rangoon), October 1 (XINHUA)—The Myanmar [Burma] Overseas Chinese Chamber of Commerce held a National Day celebration meeting here today to mark the 40th anniversary of the founding of the People's Republic of China (PRC).

About 800 people who represented more than 100,000 Overseas Chinese in the Myanmar capital, attended the meeting.

Chinese Ambassador to Myanmar Cheng Ruisheng and Myanmar township officials in Yangon were present on the occasion.

At the beginning of the meeting, the chamber band played the national anthems of China and Myanmar at the chamber hall which was decorated with festive atmosphere.

In his speech, the chamber President Lin Sheng-leong spoke of the achievements made by New China in developing its industry and agriculture since it was set up in 1949, particularly the successes made since 1978 when it began to implement politics of reform and opening itself to the outside world.

Referring to the disturbance in June in Beijing, Lin said Overseas Chinese have gradually come to know the real facts of the turmoil that the student demonstrations were developed into the disturbance and later escalated into a counter-revolutionary rebellion launched by a tiny number of people who tried to overthrow the PRC and follow the roads of Western nations.

Lin briefed with joy on further development of the good relations between Myanmar and China.

He concluded that Overseas Chinese in Myanmar will make efforts to prosper the Myanmar economy and consolidate the friendship between the Myanmar and Chinese peoples.

Near East & South Asia

Palestinian Leader 'Arafat Visits; Meets Leaders

Received at Tiananmen Square

HK0410120889 Hong Kong AFP in English 1203 GMT 4 Oct 89

[Text] Beijing, Oct 4 (AFP)—PLO leader Yasir 'Arafat got a head-of-state's welcome here Wednesday as he began a 48-hour visit to China after his first official trip to Japan.

Mr. 'Arafat was received in Tiananmen Square as president of the State of Palestine, with a red carpet, 21-gun salute, military band and honor-guard inspection with Chinese President Yang Shangkun.

Mr. Yang afterwards hosted a banquet for Mr. 'Arafat in the Great Hall of the People.

The Chinese authorities have given no details of Mr. 'Arafat's visit, which comes on the heels of a four-nation tour of the Middle East by Chinese Foreign Minister Qian Qichen.

On his last visit to Beijing in 1988, he had met with Zhao Ziyang, who was ousted as Communist Party general secretary after the June 4 crushing of student democracy protests.

Mr. 'Arafat is the second foreign visitor to be received in Beijing as a head of state since June 4, after Burkina Faso president Blaise Compaore in early September.

Meets Yang Shangkun

OW0410131489 Beijing Domestic Service in Mandarin 1030 GMT 4 Oct 89

[Text] Palestinian President Yasir 'Arafat arrived in Beijing via special plane this afternoon to begin his official friendly visit to China. This is 'Arafat's first visit since his election as president of Palestine.

Chinese President Yang Shangkun held a ceremony at the plaza outside the main gate of the Great Hall of the People to welcome 'Arafat at 1730 [0930 GMT]. The band played the national anthems of China and Palestine, and a 21-gun salute was fired. Accompanied by Yang Shangkun, 'Arafat reviewed an honor guard comprised of Army, Naval, and Air Force servicemen of the Chinese People's Liberation Army.

Attending the welcoming ceremony were Liao Hansheng, vice chairman of the National People's Congress Standing Committee, and Lin Zongtang, chairman of the Chinese reception committee and minister of aeronautics and astronautics industry.

Yang Shangkun and 'Arafat held cordial and friendly talks at the Great Hall of the People after the ceremony.

President Yang Shangkun hosted a banquet to welcome President 'Arafat and his entourage at the Great Hall of the People this evening.

Further on Yang Shangkun Meeting

OW0410163889 Beijing XINHUA in English 1544 GMT 4 Oct 89

[Text] Beijing, October 4 (XINHUA)—Chinese President Yang Shangkun met with Yasir 'Arafat, president of the state of Palestine, at the Great Hall of the People here today.

Yang extended a warm welcome to Arafat on behalf of the Chinese Government and people.

Praising the Palestinian people's struggle over the past two decades, Yang said "We understand and sympathize with the Palestinian people and regard your victories as our own."

He spoke highly of the series of major and flexible policies the Palestine Liberation Organization (PLO) has adopted recently and described them as a strong impetus to the peace process in the Middle East, which he said have won extensive acclaim in the international community.

Yang said that it is a major victory of the Palestinian people that the state of Palestine has gained recognition by more than 100 countries.

Yang said the dialogues which the PLO conducted with the United States gave a new impetus to the peaceful settlement of the conflicts between the Arab countries and Israel.

He said he believed the PLO will continue to strengthen its internal unity and its unity with Arab countries, and win new victories with the sympathy and support of all countries upholding justice.

Yang said the situation in Beijing and the whole country is stable after the quelling of the June anti-government rebellion in Beijing.

He stated that many foreign guests who attended the celebrations of the 40th anniversary of the founding of the People's Republic of China saw with their own eyes the stable situation in China.

'Arafat said that the Palestinian people will never forget the Chinese people's support when the Palestine movement was in its most difficult times.

He said he is one of the true friends of the Chinese people. "We've always been proud of the Palestinian-Chinese relations," he continued. "We felt anxious when turmoil occurred in Beijing and were glad when China quelled the anti-government riot and controlled the situation."

Before the meeting, Yang presided over a welcoming ceremony for his guests.

'Arafat and his party arrived here by special plane earlier today. This is his seventh visit to China and his first visit to China since the proclamation of the state of Palestine and his assumption of the presidency.

Yang Shangkun Vows Support

*OW0410164889 Beijing XINHUA in English
1615 GMT 4 Oct 89*

[Text] Beijing, October 4 (XINHUA)—China will unswervingly support the just cause of the Palestinian people, Chinese President Yang Shangkun said today.

At a banquet he hosted to welcome President of the State of Palestine Yasir 'Arafat, Yang spoke highly of the Palestine Liberation Organization (PLO)'s recent flexible and practical policies and the realistic steps to promote the peace process adopted in the light of the developments of the Mideast situation.

The Chinese Government and people pay much attention to the development of the Mideast situation, stand unswervingly on the side of Palestine's just cause, and support the Palestinian people's struggle, Yang said.

"We appreciate and support President 'Arafat's efforts to seek a just settlement to the Palestine issue," he said. "We are for settling the Mideast issue through political channels, including the convening of an international conference on the Mideast under the auspices of the United Nations and other political means considered appropriate by the parties concerned, so as to achieve just and lasting peace in the Mideast."

The Chinese president called on the authorities to go with the tide of times, respond positively to the reasonable proposals and propositions of all parties. "This will not only benefit the development of the regional situation, but also conform to the interest of people in all Mideast countries, including the Israeli people," he said.

In his toast, 'Arafat praised China's principled stand of supporting the Palestinian people's struggle, which he said has boosted the Palestinian people's determination to continue the just struggle for peace on their motherland, the land of Palestine.

In the Mideast, he said, the savage policy pursued by Israel has gravely escalated, making the Palestinian people's life almost impossible.

He said, the Palestinian people have suffered immense losses, with 1,000 dead, 47,000 injured and 67,000 arrested.

"Despite that," he went on, "We remained determined to realize just peace in the Mideast. We've resolutely taken the initiatives of peace." He said the initiatives include: seeking a just political settlement through the convening of an international conference on Mideast under the auspices of the United Nations, welcoming the holding of free and democratic elections, and supporting means of settlement similar to the "Namibia Formula."

Meets Deng Xiaoping

*OW0510090789 Beijing XINHUA in English
0841 GMT 5 Oct 89*

[Text] Beijing, October 5 (XINHUA)—The visiting Palestinian president, Yasir 'Arafat, was reassured here today by Chinese senior leader Deng Xiaoping that China will continue to support his country's just struggle.

'Arafat came here yesterday on an official and goodwill visit to China.

In the Great Hall of the People here this morning, Deng and 'Arafat embraced each other, renewing their long-term friendship.

Deng said he warmly welcomed 'Arafat's first visit to China in his capacity as president of the state of Palestine. "We have trusted and supported each other for several decades," Deng told the guest. "Our relationship is not an ordinary one and friendship between us is eternal."

Deng, chairman of China's Central Military Commission, said he was pleased at every victory scored by the Palestinian people. "You have won a considerable number of victories but not complete victory. However, no matter what happens we will support you," he said to 'Arafat.

The Palestinian president said he still remembers what the late Chairman Mao Zedong said—"The road is tortuous while prospects are bright". This reflects Palestine's present situation, he pointed out.

"Yes, I quite agree with you," Deng said, praising the Palestine Liberation Organization for its pragmatic and flexible policy in recent years. This is conducive to strengthening internal unity, winning over friends and isolating enemies, he said. So long as correct strategies and policies are adopted, the Palestinian people will certainly win their final victory, he noted.

'Arafat said he was pleased to hear Deng's suggestions, which he described as "valuable" to him and his colleagues. "We have preserved our internal unity, and it is the source of our persevering struggle," he said.

At the end of the 20-minute meeting, Deng told the guest, "our meeting will be followed immediately by official talks between you and Premier Li Peng. You will also meet General Secretary Jiang Zemin this afternoon. Now they are in charge. If there is anything you want to talk about, just talk to them. We are old friends and today we have just met each other for a little while."

'Arafat said Deng's meeting with him was very important, as were Deng's remarks. All this has enhanced the strength and boosted the morale of the Palestinian people, he assured.

Meets Li Peng

OW0510092789 Beijing XINHUA in English
0904 GMT 5 Oct 89

[Text] Beijing, October 5 (XINHUA)—Chinese Premier Li Peng and visiting President of the state of Palestine Yasir 'Arafat held talks here this morning in the Great Hall of the People.

Li extended a warm welcome to 'Arafat upon his current visit to China and congratulated him on being elected president of the state of Palestine.

Reviewing Palestinian-Chinese relations, 'Arafat said, "whether from the viewpoint of the relations between the two countries, or from the viewpoint of personal ties, we are old friends."

He added, "Whenever we encounter difficulties we always say, 'we may go and seek help from our Chinese friends.' We are true friends in need."

'Arafat briefed Li in detail on the current situation in the Middle East and the struggle of the Palestinian people, as well as on the positive efforts made by the Palestine Liberation Organization (PLO) for a political settlement of the Middle East issue.

He stressed that although the Palestinian people face many difficulties, internal unity is solid, the morale of the people is high and the international situation is favorable. "We are determined to carry our just struggle through to the end," he said.

Li said, "the Chinese Government's stand on the Palestinian people's struggle is clear i.e., we have always opposed the aggression and expansion policy of Israel and support the Arab and Palestinian people in their just struggle to regain their lost land and national rights."

The struggle of the Palestinian people is gaining the understanding and support of an increasing number of people all over the world, Li said.

He stated that China has officially put forward a five-point proposal to promote the peace process in the Middle East.

The proposal points out that China advocates political means for a solution to the Middle East question, supports the convocation of an international peace conference on the Middle East presided over by the United Nations and participated in by the five permanent members of the U.N. Security Council and various parties concerned, and urges direct dialogue between the Palestine Liberation Organization and Israel.

The ten-point peace plan put forward by Egyptian President Husni Mubarak is a positive one, Li said, adding that he hoped all parties concerned would make new efforts to promote the peace process in the Middle East through dialogue.

Li also expressed his deep concern over the situation in Lebanon.

After the talks, Li gave a dinner for 'Arafat and his party.

Li Peng Presents Mideast Proposal

OW0510082489 Beijing XINHUA in English
0810 GMT 5 Oct 89

[Text] Beijing, October 5 (XINHUA)—Chinese Premier Li Peng announced a five-point proposal in the name of the Chinese Government on the Middle East question here today.

While holding talks with Yasir 'Arafat, president of the state of Palestine, Li said that to promote the peace process in the Middle East the Chinese Government formally put forward the following five-point proposal:

(1) The Middle East question should be solved through political means and all parties should refrain from using force.

(2) China supports the convocation of an international peace conference on the Middle East presided over by the United Nations and participated in by the five permanent members of the U.N. Security Council and various parties concerned.

(3) China urges the various parties concerned in the Middle East to hold various forms of dialogue, in whichever ways they deem appropriate, including direct dialogue between the Palestine Liberation Organization and Israel.

(4) Israel must stop suppressing the Palestinian residents in areas it occupies and withdraw from the occupied Arab land; accordingly, Israel's security should also be guaranteed.

(5) The state of Palestine and the state of Israel should extend mutual recognition, and the Arab and Jewish peoples should coexist peacefully.

Trade Minister Views Relations With India

HK0210001889 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 2 Oct 89 p 1

[By our staff reporter Qu Yingpu]

[Text] Trading between China and India, which started over 2,000 years ago, is bound to expand, following the recent signing of trade agreements between the two Asian giants.

The two documents linking the world's two most populous nations in a trade bond were brought back in the pocket of a satisfied Zheng Tuobin, Minister of Foreign Economic Relations and Trade, from his nine-day (September 16-24) visit to India.

The minister told *BUSINESS WEEKLY* in an exclusive interview, "the trip has added new tangible substance to the improving relations between China and India."

The "tangible substance" inscribed in two important documents indicate that the two largest developing countries are joining hands to tap the "great potential" of further economic co-operation.

One of the two documents is the agreed minutes of the first session of the China-India Joint Group on Economic Relations and Trade, Science and Technology.

In the minutes, the two Asian neighbours agreed to expand direct trade and economic and technological co-operation. Such co-operation includes mutual investment, setting up joint ventures in both countries, establishing Chinese ventures in India and vice versa, co-operative production and management, two-way technology transfers and the possibility of joint participation in contracting third country projects.

The second document is a trade protocol covering the period between September 20, 1989 and September 20, 1990.

According to the protocol, China will import such items as iron ore, chrome ore, urea, including medium short fibre raw cotton, and grain.

In return, India will buy Chinese light industrial products and stationery as well as such traditional goods as raw silk, silk yarn, resin, pulses, petroleum and petrochemical products and fresh water pearls.

Zheng said he suggested to Indian trade officials that efforts should be made to cultivate the exchange of more new products while increasing that of traditional ones.

The Chinese minister also urged both governments to encourage industrial, commercial and trade exchanges to promote mutual understanding of each other's economic laws, regulations, and policies. He called on both governments to encourage and provide facilities for exchanges such as seminars, exhibitions and visits of economic and trade delegations from one country to the other.

Besides the trade of products, Zheng also suggested the development of processing industries with materials or designs from the other country and barter trade. He also called for technology transfers, co-operation in production and design, and services to answer technological inquiries.

"The further development of Sino-Indian trade should be based on the principle of 'mutual benefit,'" Zheng said. "It should be actively pursued but the process should be gradual and in accordance with the possibilities and serve mutual needs."

Zheng is the first Chinese trade minister to visit India since the two countries established diplomatic relations in 1950. The main theme of his visit was to attend the

first session of the China-India Joint Group on Economic Relations and Trade, Science and Technology. The trip was arranged when India's Prime Minister Rajiv Gandhi visited China in December last year.

Zheng said that his India trip was part of China's continuing effort to develop economic and trade relations and cultural, scientific and technological exchanges between the two countries.

Further development of Sino-Indian economic relations and trade will not only benefit both countries, he said, but also contribute towards the peace and stability of Asia and the world.

But he emphasized that the development of Sino-Indian economic and trade relations will not influence the further development of China's economic and trade relations with other South Asian countries.

China's top leadership is optimistic about Sino-Indian relations. Last Wednesday, during a meeting with the press, the Party General Secretary, Jiang Zemin, noted that the two countries have a combined population of nearly 2 billion, nearly 40 percent of the world's total. "I am very optimistic about the prospects of the relations between China and India," he said.

The two neighbours signed their first government trade agreement in 1954, five years after the founding of the People's Republic of China. Then following nearly two decades of indifference, the two countries resumed the exchange of ambassadors in 1976 and a new government trade agreement was signed in 1984.

Between 1978 and 1988, bilateral trade volume increased tenfold, Zheng said.

According to figures released by the Chinese Customs Office, the trade volume between the two countries last year set an all time high of \$246 million. During the first eight months of this year, Sino-Indian trade reached \$135.12 million.

In recent years, economic and technological co-operation between the two countries have made a good start, Zheng said. Through discussions, some letters of intent on technology transfers have been signed.

New Delhi Public Meetings Mark National Day

*OW3009062689 Beijing XINHUA in English
1832 GMT 29 Sep 89*

[Text] New Delhi, September 29 (XINHUA)—Public meetings were held in the Indian capital to celebrate the 40th anniversary of the founding of the People's Republic of China.

Speaking at a meeting sponsored by the India-China Friendship Association here on Thursday, Dr Subramaniam Swami, member of parliament, said that friendship between India and China, two big countries with 40

percent of the total world population, could play an important role in maintaining peace in the region and the world.

Besides, the two countries witness more or less the same situation in the economic fields, and face similar problems. "We should learn from each other, and help each other," he said.

Referring to the counter-revolutionary rebellion in China, Swami said the measures taken by the Chinese Government were correct.

Overthrow of the Chinese Government was the main aim of the rebellion, he said, adding that the Indian Government would take similar measures if such an incident should occur in India.

Another meeting was organized by the All-India India-China Friendship Association and the Delhi unit of the India-China Friendship Association today.

At the meeting, speakers stressed the importance of friendship between the two largest countries for world peace and progress of mankind, they pointed out that Prime Minister Rajiv Gandhi's visit to China at the end of last year pushed the bilateral relations to a new stage.

In his speech at the meeting, Chinese Ambassador Tu Guowei appreciated the Indian Government's attitude towards the incidents in Beijing and expressed the hope that Indo-Chinese friendship will be strengthened further.

The two meetings were also meant to observe the 104th birthday of the late Sundarlat, a well-known Indian freedom fighter and an old friend of the Chinese people. He founded the India-China Friendship Association in the 1950s.

Wu Xueqian To Visit India 12-17 October

OW0510105789 Beijing XINHUA in English
0850 GMT 5 Oct 89

[Text] Beijing, October 5 (XINHUA)—Chinese Vice-Premier Wu Xueqian will pay a good-will visit to India from October 12 to 17 at the invitation of the government of India, the Foreign Ministry spokesman announced here today.

Pakistani Newspaper Cited on Anniversary Praise

OW0210115489 Beijing XINHUA in English
0723 GMT 2 Oct 89

[Text] Islamabad, October 2 (XINHUA)—A Pakistan newspaper today praised China for its new Long March in carrying out reforms and the four modernizations in the country.

"THE MUSLIM" today carried a signed article by Prof. Khwaja Masud entitled "China: The New Long March" to mark the 40th anniversary of the founding of the People's Republic of China on October 1.

"In 1978, after the Third Plenary Session of the 11th Central Committee of the Communist Party of China (CPC), the Chinese working class embarked on a new Long March," the article said.

"The new mission of the Chinese working class, under the leadership of the CPC is to close ranks with the peasants and all patriots to persist in opening out to the world, carrying out reforms and the four modernizations and work persistently for a democratic socialist state," it said.

"In carrying out its historic task," the article went on, "the Chinese working class is striving for socialism with distinct Chinese characteristics. The CPC is not following any existing mode. It is creating its own model, keeping in view its own history, traditions and idiosyncrasies."

"At the moment, China is confronted with the momentous task of effecting the four modernizations which must be carried out keeping in mind the four cardinal principles," it added.

It said: "The recent Central Committee's plenum emphasized the continuity of the line of concentrating on economic development, adherence to the policy of reform and openness to the world."

National Day Arts Exhibit Opens in Rawalpindi

OW0110045889 Beijing XINHUA in English
0213 GMT 1 Oct 89

[Text] Islamabad, October 1 (XINHUA)—An exhibition of Chinese arts opened in Rawalpindi, Pakistan, on the eve of the 40th anniversary of the founding of the People's Republic of China.

The five-day exhibition, co-sponsored by the Chinese Embassy in Pakistan and the Pakistan National Council of Arts, was inaugurated Saturday evening by Pakistani Education Minister Mustafa Shah at the Liaquat Memorial Hall.

The Pakistani minister and Chinese Ambassador Tian Ding highly praised the friendly relations between Pakistan and China in their speeches at the opening ceremony. Mr. Shah said that there are no other two countries in the world that have set up such close relations with each other.

The ceremony was attended by more than 300 Pakistani officials and friends as well as foreign diplomats in Islamabad.

Among items displayed at the exhibition were colored and glazed porcelains and blue-and-white chinawares. Visitors were most interested in the rare Chinese cotton patchworks because it is the first time that such kind of art is shown in a South Asian country.

Funding To Help Bangladesh Bridge Construction

OW0110002389 Beijing XINHUA in English
0855 GMT 30 Sep 89

[Text] Dhaka, September 30 (XINHUA)—China will help Bangladesh construct a medium-sized bridge in northern Bangladesh under a contract signed here today.

Under the contract, the Chinese Government will provide a soft loan of about 12.5 million U.S. dollars for the construction of the bridge in Bangladesh's northern district of Mymen Singh.

The 464-meter-long Shambhugonj Bridge over the River Old Brahmaputra will connect several northern districts with the capital of Dhaka. It will have an impact on the road transportation and economic development of the country, according to Bangladeshi officials.

This is the second bridge to be built in Bangladesh with China's aid.

Bangladesh Communication Minister Anwar Hussain and Wu Qingchan, vice-chairman of the board of China National Complete Plant Export Corporation, signed the contract.

Bangladesh Road Construction Contract Signed

OW01:0095489 Beijing XINHUA in English
1504 GMT 30 Sep 89

[Text] Dhaka, September 30 (XINHUA)—Bangladesh and China signed here today a contract for the construction of a highway in western Bangladesh.

With a contract value of about 47 million U.S. dollars, the contractor, the China National Complete Project Corporation, will construct in 30 months a 144-kilometer-long road, which will connect several western districts of the country.

This is the largest project ever contracted by a Chinese company in Bangladesh.

According to Bangladeshi officials, the Manila-based Asian development Bank has provided a soft loan of about 50 million U.S. dollars for this road project.

Embassy Sponsors Photo Exhibition in Tunisia

OW0310060789 Beijing XINHUA in English
0218 GMT 3 Oct 89

[Text] Tunis, October 2 (XINHUA)—A week-long photo exhibition "40 Years of New China" opened in the gallery of information here today.

The exposition is sponsored by the Chinese Embassy and the National Cultural Committee of Tunisia to mark the 40th anniversary of the founding of the People's Republic of China.

Sixty-five color photos on display reflect the achievements by China during the past 40 years in industry,

agriculture, education, science and technology, and in the daily lives of the Chinese people.

Chinese Ambassador Zhu Yinglu, president of the Tunisian Cultural Committee Mohamed Tabli, as well as people from various walks of life attended the opening ceremony.

Bahrain's First Ambassador Presents Credentials

OW2909121789 Beijing XINHUA in English
0936 GMT 29 Sep 89

[Text] Beijing, September 29 (XINHUA)—President Yang Shangkun accepted credentials of Bahrain's first ambassador to China Husayn Rashid al-Sabbagh here this morning at the Great Hall of the People.

Husayn Rashid al-Sabbagh arrived at Beijing on September 24.

Sub-Saharan Africa

Renewal of Taiwan-Liberia Ties Regretted

OW0510134689 Tokyo KYODO in English
1113 GMT 5 Oct 89

[Text] Beijing, Oct. 6 [date as received] KYODO—China regrets the reestablishment of diplomatic relations between Taiwan and Liberia, which has official ties with China, a Chinese Foreign ministry spokesman said Thursday.

The spokesman said Taiwan is an inseparable part of Chinese territory and China is opposed to any move to create "two Chinas" or "one China, one Taiwan."

Liberia was the second country since 1971, when China replaced Taiwan at the United Nations, to recognize Taiwan while maintaining diplomatic ties with China.

China broke diplomatic ties with Grenada in August after it set up diplomatic relations with Taiwan.

Liberia established diplomatic relations with Taiwan in 1957 but those ties were broken in 1977 when Liberia set up diplomatic ties with China.

Ghana's Paul Victor Obeng To Visit 10-14 Oct

OW0510110389 Beijing XINHUA in English
0816 GMT 5 Oct 89

[Text] Beijing, October 5 (XINHUA)—Paul Victor Obeng, a Ghanaian leader, will pay an official visit to China from October 10 to 14, a Foreign Ministry spokesman announced here today.

Obeng, member of the Provisional National Defence Council and chairman of the Committee of Secretariats of the Republic of Ghana, is invited by Chinese Premier Li Peng, the spokesman said.

Sierra Leonean Special Envoy To Arrive 9 Oct*OW0510111089 Beijing XINHUA in English
0839 GMT 5 Oct 89*

[Text] Beijing, October 5 (XINHUA)—Salia Jusu-Sheriff, special envoy of the President of the Republic of Sierra Leone, second vice-president of the Republic of Sierra Leone, will come to Beijing on October 9 to forward a letter from President Momoh for Chinese President Yang Shangkun.

This was announced here today by the spokesman of the Foreign Affairs Ministry.

Zambian President Hails Commitment To World Peace*OW0210181889 Beijing XINHUA in English
1448 GMT 2 Oct 89*

[Text] Lusaka, October 2 (XINHUA)—Zambian President Kenneth Kaunda today praised China for its total commitment to the principles of world peace, justice and democracy.

In his message to Chinese President Yang Shangkun on the occasion of China's National Day, which falls on October 1, Kaunda said that China's total commitment to the principles of peace, justice and democracy is "a source of great inspiration to us in Zambia and in the region as a whole".

"I look forward to our continued close cooperation both bilaterally and at international forums in the fight against colonialism, neo-colonialism, imperialism, racism, apartheid and exploitation of man by man, for the good of the whole of mankind," he said.

China's assistance has contributed enormously to the development of Zambia, which reflects that "China is an all-weather and a true and genuine friend indeed", added Kaunda.

He expressed the wish that "the very warm and cordial relations that so happily exist between our two countries will continue to grow from strength to strength."

Zambian Paper Praises Achievements, Friendship*OW0110002189 Beijing XINHUA in English
0925 GMT 30 Sep 89*

[Text] Lusaka, September 30 (XINHUA)—"TIMES OF ZAMBIA", an official English daily, today carried an article in its "Opinion" column marking the 40th founding anniversary of the People's Republic of China.

The article said that in this jubilant hour, Zambia offers China cheer and encouragement for its modernization efforts which have been progressing admirably so far.

It expressed thanks to China for its generous assistance to Zambia in various fields.

As a vital outlet for landlocked Zambia, the Tanzania-Zambia Railway is a baby nurtured by China and so was a number of other projects assisted by China, the article added.

The article also thanks China for sending medical teams and providing scholarships to Zambian students.

Assistance To Rehabilitate Zambian Brickworks*OW0510021089 Beijing XINHUA in English
0030 GMT 5 Oct 89*

[Text] Lusaka, October 4 (XINHUA)—China will help Zambia rehabilitate a brickworks under two agreements signed here today.

The first agreement refers to the purchase and supply of equipment, which will cost 1.2 million U.S. dollars. Under the second agreement, a number of Chinese technicians will be sent to the plant situated in Kitwe, 360 km north of Lusaka.

The Kalulush Brickworks, established by a Federal German company in 1974, was closed in 1980 after suffering losses for several years running.

The rehabilitation program will start next month and will be completed next year.

After its rehabilitation, the brickworks can produce about 26 millions of bricks, which will meet half of Zambia's total needs.

Anniversary of Guinean Ties Marked in Beijing*OW0410215289 Beijing XINHUA in English
1621 GMT 4 Oct 89*

[Text] Beijing, October 4 (XINHUA)—The 30th anniversary of the establishment of diplomatic relations between China and the Republic of Guinea was marked at a reception here this evening, which was hosted by the Chinese People's Association for Friendship With Foreign Countries.

Speaking on the occasion, Gong Dafei, president of the Chinese-African People's Friendship Association, said China and Guinea have developed friendly relations in the fields of politics, economics, trade, science, technology and culture.

"We are true friends," he said, as he reviewed the 30-year history of Sino-Guinean relations.

Abdourahamane Sow, Guinean ambassador to China, said the Guinean people will always side with Chinese people in their struggle to safeguard China's territorial sovereignty and unity.

Xi Zhongxun, vice-chairman of the Chinese National People's Congress Standing Committee, and Vice-Foreign Minister Qi Huaiyuan attended the reception.

Song Jian Attends Guinean Ambassador's Reception

*OW0310180689 Beijing XINHUA in English
1507 GMT 3 Oct 89*

[Text] Beijing, October 3 (XINHUA)—Abdourahamane Sow, ambassador of the Republic of Guinea to China, gave a reception here today to mark the 31st anniversary of the proclamation of the republic and the 30th anniversary of the establishment of diplomatic relations between Guinea and China.

Song Jian, state councillor and minister in charge of State Science and Technology Commission, attended the reception.

Malagasy President Didier Expresses Support

*OW0410080089 Beijing XINHUA in English
0636 GMT 4 Oct 89*

[Text] Antananarivo, October 3 (XINHUA)—Malagasy President Didier Ratsiraka supports the crushing of the counter-revolutionary riots in Beijing by the Chinese Government and opposes foreign intervention in China's internal affairs.

The president said this to Chinese Ambassador to Madagascar Wei Dong and visiting President of the Chinese Huaneng Power Generation Corporation Pan Yansheng today.

Describing the sanctions imposed by the Western countries against China as unwise acts, he asked why they have not imposed any sanctions against the apartheid regime of South Africa that has practised 20 years of barbarous repression against its people.

"China is a great market and all such sanctions will only hurt the authors," he added, stressing that Chinese development will not suffer from "any foreign interference."

Pan Yansheng, invited by the president of the "Far East group" of Hong Kong, a Chinese private company based here since April to help the Malagasy Government to create a special economic free zone, arrived here September 26 to make a feasibility study on an electrical center.

After hearing the report on the preparatory work of the setting up of the special economic zone in Madagascar, Ratsiraka said that the preparatory work will be accelerated so as to promote his country's economic development and called for further mutual cooperation with the Chinese Huaneng group in the fields of energy and electricity.

Cameroonian President Biya To Visit

*OW3009130289 Beijing XINHUA in English
0708 GMT 30 Sep 89*

[Text] Yaounde, September 29 (XINHUA)—Cameroonian President Paul Biya will accept an invitation extended by his Chinese counterpart, Yang Shangkun, to visit China, it was announced here today.

Minister of Territorial Administration, Mbomo Njoya, made the announcement while receiving a visiting Chinese delegation led by Wang Hanbin, vice president of the permanent committee [as received] of the National People's Congress of China. Biya himself was absent on business.

The two officials hailed the friendly cooperative relations between the two countries and hoped to further develop them.

The delegation arrived here on Wednesday for a five-day visit.

Wang Zhen Meets Comoros Islands Visitors

*OW0210105489 Beijing XINHUA in English
0915 GMT 2 Oct 89*

[Text] Beijing, October 2 (XINHUA)—Chinese Vice-President Wang Zhen said here today that China has always upheld the principle that countries, big or small, should have an equal footing in the international affairs and mutual contacts.

He made the remarks in a meeting with Abdallah Ahmed Nassuf and Said Mze Bacar, first and third vice-presidents of the Federal Assembly of Comoros, an island country in the Indian ocean with an area of over 2,000 square kilometers and a population of 440,000 people. [paragraph as received]

Wang told the guests that China is willing to live friendly with other countries in the world and develop its relations with them on the basis of the Five Principles of Peaceful Coexistence, namely, mutual respect for territorial integrity and sovereignty, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence.

First Vice-President Nassuf said that China had not only initiated the five principles, but also implemented them in its dealing with relations with other countries. And it has always treated Comoros as equal, he added.

The Comoros visitors are to leave Beijing for Paris this evening.

Kang Keqing Meets Togolese Women's Delegation

*OW3009025989 Beijing XINHUA in English
1805 GMT 29 Sep 89*

[Text] Beijing, September 29 (XINHUA)—Kang Keqing, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, and honorary president of the All-China Women's Federation, met here today with a women's delegation from Togo.

Headed by Nubukpo Ayele, advisor to and former president of the National Women's Union of Togo, the delegation arrived here yesterday on a visit to China as guest of the All-China Women's Federation.

Mozambican Ambassador Presents Credentials*OW2909122289 Beijing XINHUA in English
0935 GMT 29 Sep 89*

[Text] Beijing, September 29 (XINHUA)—President Yang Shangkun accepted credentials of Mozambique's new ambassador to China Daniel Saul Mbanze here today at the Great Hall of the People.

The new ambassador arrived at Beijing on September 26.

East Europe**Further on Yao Yilin Group's Visit to GDR****Meets Guenther Kleiber***HK0510074289 Beijing RENMIN RIBAO in Chinese
3 Oct 89 p 3*

[Dispatch from RENMIN RIBAO reporter Xu Hongzhi (6079 1347 3112) and XINHUA reporter Wang Defeng (3769 1795 1496): "Yao Yilin Arrives in Berlin To Participate in the National Day Celebrations of the German Democratic Republic"]

[Text] Berlin, 2 Oct (RENMIN RIBAO)—According to a report, at the invitation of the Central Committee of the Socialist Unity Party of Germany and the Government of the German Democratic Republic, a party and government delegation from China, headed by Yao Yilin, member of the Standing Committee of the Political Bureau of the CPC Central Committee and vice premier of the State Council, arrived in Berlin by an airliner of the Civil Aviation Administration of China this morning. The delegation will pay a 1-week official and friendly visit to the German Democratic Republic, and will participate in the celebrations to mark the 40th anniversary of the founding of the German Democratic Republic.

Guenther Kleiber, a member of the Political Bureau of the Central Committee of the Socialist Unity Party of Germany and first deputy chairman of the Council of Ministers of the German Democratic Republic; and others went to the airport to welcome the party and government delegation of China, including Comrade Yao Yilin.

Yao, Kleiber Reaffirm Socialism*OW0510032289 Beijing XINHUA in English
0229 GMT 5 Oct 89*

[Text] Berlin, October 4 (XINHUA)—China and the German Democratic Republic (GDR) today reaffirmed their mutual support for moving forward along the road of socialism.

During the talks between Yao Yilin, visiting Chinese vice premier and Guenther Kleiber, GDR's first deputy chairman of the Council of Ministers, both recalled the

comprehensive and substantial development of the bilateral relations since GDR leader Erich Honecker visited China in 1986.

Yao said the situation in China is stable, adding that China would like to develop friendly relations with all countries, but will never yield to pressures from the outside and will never give up socialism.

Yao, who is also a member of the Standing Committee of the Political Bureau of the Communist Party of China (CPC), reaffirmed that China will continue to carry out the policy of reform and opening to the outside world.

Kleiber said GDR will stick to socialism and will work on a policy of developing economy and improving the people's living standard.

At another meeting with GDR Premier Willi Stoph, Yao said the complicated situation in GDR could be understood, while Stoph reiterated GDR's support for the action by the Chinese party and government to quell the counter-revolutionary rebellion in June.

Yao, heading a Chinese delegation, arrived here Monday to attend the festivities of the 40th anniversary of the founding of the German Democratic Republic and for an official visit.

The Chinese delegation paid a visit Tuesday to Halle District, a GDR industrial base.

East German Youths Celebrate National Day*OW0310022689 Beijing Domestic Service in Mandarin
1700 GMT 2 Oct 89*

[From the "International News and Current Events" program]

[Text] On 1 October, German youths joined young Chinese workers studying and working in the GDR and a delegation of the Chinese Communist Youth League [CYL] in celebrating the 40th anniversary of the founding of the PRC. In Berlin, German youths held discussions with more than 300 young Chinese workers and members of the CYL delegation. Chinese and German youths exchanged views on their study and work. GDR youths in Leipzig also held similar activities.

On the same night, GDR television broadcast a special program after the evening news to celebrate the 40th anniversary of the founding of the PRC. The program introduced the achievements of the last 40 years, particularly those in the 10 years of reform and opening.

CSSR Friendship Delegation Arrives for Visit**Meets Wu Xueqian***OW0410152389 Beijing XINHUA in English
0859 GMT 4 Oct 89*

[Text] Beijing, October 4 (XINHUA)—Chinese Vice-Premier Wu Xueqian met here today with a delegation from

the International Relations Association of Czechoslovakia and Czechoslovakia-China Friendship Committee.

The delegation is headed by Stefan Murin, first vice-premier of Slovakia, first vice-chairman of the association and chairman of the committee.

Signs Cooperation Accord

*OW0110064089 Beijing XINHUA in English
1339 GMT 30 Sep 89*

[Text] Beijing, September 30 (XINHUA)—The cooperative program of 1990-1992 between the Chinese People's Association for Friendship With Foreign Countries, the China-Czechoslovak Friendship Association, the International Relations Association of Czechoslovakia and the Czechoslovakia-China Friendship Committee, was signed here today.

Signing on the program were Qian Zhengying, vice-chairman of the Chinese People's Political Consultative Conference [CPPCC] and president of the China-Czechoslovakia Friendship Association, and Stefan Murin, first vice-premier of Slovakia, first vice-chairman of the International Relations Association of Czechoslovakia and chairman of the Czechoslovakia-China Friendship Committee.

Murin also conferred medals to Qian Zhengying, Huang Yicheng, minister of energy resources, Shi Dazhen, vice-minister of energy resources, and Zhang Fengxiang, president of the China Electricity Council, for their contribution to the development of energy resources of Czechoslovakia.

Anniversary of Ties With CSSR Celebrated

Reception Held

*OW0410152689 Beijing XINHUA in English
0916 GMT 4 Oct 89*

[Text] Beijing, October 4 (XINHUA)—A reception was held here today to mark the 40th anniversary of the establishment of diplomatic relations between China and Czechoslovakia.

Attending the reception, held by the Chinese People's Association for Friendship with Foreign Countries and the China-Czechoslovakia Friendship Association, were Chen Muhua, vice-chairwoman of the Standing Committee of the National People's Congress, Eduard Saul, Czechoslovak ambassador to China, Stewz Urin, head of a visiting delegation from the International Relations Association of Czechoslovakia and Czechoslovakia-China Friendship Committee, and Kubicek, head of a Czechoslovak delegation of experts in electricity power.

Liu Gengyin, vice-president of the Chinese People's Association for Friendship with Foreign Countries, and Eduard Saul spoke at the reception.

RUDE PRAVO Cited

*OW0410152489 Beijing XINHUA in English
0854 GMT 4 Oct 89*

[Text] Prague, October 3 (XINHUA)—Relations between Czechoslovakia and China are developing in the political, economic, scientific and technological, cultural and sports fields.

This is said in an article carried by Czechoslovak leading newspaper, RUDE PRAVO, today to mark the 40th anniversary of the establishment of diplomatic relations between the two countries.

The article recalled that Czechoslovakia is among the first to recognize the People's Republic of China and established relations with her on October 4, 1949.

The exchange of visits by leaders of the two countries, particularly those since 1985, have laid a foundation for stable and long-term development of the friendly relations, it said.

"We attach great importance to the major role played by China in international life," the article said, adding that "Czechoslovakia is delighted to see every achievement made by our Chinese friends."

Wu Xueqian Fete Romanian Party Delegation

*OW0310135089 Beijing XINHUA in English
0835 GMT 3 Oct 89*

[Text] Beijing, October 3 (XINHUA)—Wu Xueqian, member of the Political Bureau of the Communist Party of China Central Committee and vice premier, met a Romanian Communist Party delegation headed by Ion Stoian here today.

Wu and Stoian, alternate member of the Executive Political Committee and member of the Secretariat of the Romanian Communist Party Central Committee, briefed each other on domestic situation and experiences of socialist construction in both countries and exchanged views on bilateral relations and international issues of common concern.

Wu thanked the Romanian party and government for their understanding and support for China's quelling of the anti-government riots.

After the meeting, Wu gave a banquet for the Romanian guests.

Zhu Liang, head of the International Liaison Department of the Chinese Communist Party Central Committee, was present at the meeting and the banquet.

Stoian and his party arrived here October 2 on a four-day visit in China as guests of the Chinese Communist Party Central Committee.

Romanian Paper Publishes Article on National Day

OW0110181089 Beijing XINHUA in English
1324 GMT 1 Oct 89

[Text] Bucharest, October 1 (XINHUA)—The Romanian newspaper "SCINTEIA" (THE SPARK) published an article today to mark the 40th anniversary of the founding of the People's Republic of China.

The article spoke highly of the achievements made by the Chinese people in industry, agriculture, science and technology in the past 40 years under the leadership of the Chinese Communist Party.

It said: "It is all the more important since the achievements were made against the complicated international situation and various domestic difficulties."

It noted that China is in a position instrumental to promoting every country's independence, freedom, peace, progress and for people's understanding and cooperation.

Referring to the Sino-Romania relations, it said overall development has been made in the bilateral cooperation in their socialist construction.

Ni Zhifu Meets Bulgarian Trade Union Delegation

OW0310131189 Beijing XINHUA in English
1212 GMT 3 Oct 89

[Text] Beijing, October 3 (XINHUA)—Ni Zhifu, vice chairman of China's National People's Congress (NPC) Standing Committee and president of the All-China Federation of Trade Unions, met here today a Bulgarian trade union delegation led by Andon Traikov, secretary of the Central Council of Trade Unions of Bulgaria.

The visitors arrived here earlier today as guests of the All-China Federation of Trade Unions. They are scheduled to visit Guangzhou and Shenzhen in south China later on.

Polish Newspaper Hails 40th Anniversary

OW0110152789 Beijing XINHUA in English
0744 GMT 1 Oct 89

[Text] Warsaw, October 1 (XINHUA)—The founding of the People's Republic of China on October 1, 1949, is "one of the great events in the 20th century," the Polish newspaper RZECZYPOSPOLITA said in a commentary Saturday.

The commentary, entitled "The 40 Years in China's Thousands of Years of History," pointed out that the big power in the East has achieved a "tremendous leap" in the past 40 years although the time is brief in China's long history.

The commentary cited following facts as a "tremendous leap" in China, such as the solution to food problem and the setting up of all kinds of modern industrial systems including electronics, nuclear energy and space.

Despite the fact that China has also made errors in the past 40 years such as "Great Leap Forward" and "Cultural Revolution," the government newspaper said, the Chinese leaders corrected the mistakes and worked out policies of building socialism in accordance with China's actual conditions, and of reform and opening to the outside world at the third plenum of the 11th Central Committee of the Chinese Communist Party.

The commentary described the plenum as a "revolution" in a certain sense.

The commentary said the quelling of the counter-revolutionary rebellion by the Chinese Government in early June is "China's internal affairs," adding that the situation in China has recently become normal and that China's contacts with outside world have been resumed.

The commentary expressed its belief that China will continue implementing its reform and open policy.

Party 'Warms' to Hard-Line Eastern Bloc

HK3009011789 Hong Kong SOUTH CHINA
MORNING POST in English 30 Sep 89 p 8

[By Willy Wo-Lap Lam]

[Text] Beijing is warming to hard-line Eastern Bloc countries in the wake of the Tiananmen Square massacre, Western diplomats in Beijing say.

With the departure of reformist party chief Zhao Ziyang, the conservative leadership in the Chinese Communist Party (CCP) is pursuing a more orthodox approach to socialism.

In the four months since the clampdown on the "counter-revolutionary rebellion", relationships between China and conservative Eastern Bloc countries such as East Germany, Rumania, Bulgaria, North Korea and Czechoslovakia have taken a major step forward.

Mr Egon Krenz, politburo member of the East German Communist Party, is in Beijing with a high level party-and-state delegation to celebrate Chinese National Day.

The East German and Cuban delegations are the only representatives from the Eastern Bloc.

Mr Krenz is widely tipped to be a successor to ailing party chief Erich Honecker. His presence in Beijing symbolises the growing rapport between the two countries.

On Thursday, a Communist Party workers' delegation left for Rumania at the invitation of the Rumanian Communist Party.

Visits of senior Chinese officials to orthodox Eastern Bloc countries will be frequent in the coming months.

Unlike reformist leaderships in Eastern Bloc nations, including the Soviet Union, which is privately embarrassed by the Tiananmen events, hard-line socialist

countries were quick to defend Beijing's suppression of the pro-democracy movement.

Orthodox Eastern Bloc communist parties have also helped Beijing criticise the alleged interference in Chinese affairs by Western countries.

On Thursday, the official New China News Agency quoted a commentary in RUDE PRAVO, in which the Czech Communist Party newspaper lambasted the French Government for "supporting runaway Chinese criminals who are trying to overthrow the existing Chinese Government".

RUDE PRAVO also attacked Paris for brutally interfering in Chinese affairs.

At the same time, the party has been alarmed by economic and political reform measures introduced by liberals in the Soviet Union, Poland, Hungary and Yugoslavia.

"In the past two months, Chinese leaders and the media have attacked 'hostile forces' in the West for trying to dilute the ideological purity of the socialist world through 'peaceful transformation'," a party member said in Beijing.

Many ultra-radical cadres in Beijing see recent events in Eastern Europe, including the success of Solidarity and the mass flight of East Germans to West Germany, as a direct result of the misguided reform efforts of Soviet President Mikhail Gorbachev.

Latin America & Caribbean

Peru Parliamentary Motion Lauds PRC Founding

OW0110010389 Beijing XINHUA in English
0254 GMT 30 Sep 89

[Text] Lima, September 29 (XINHUA)—The founding of the People's Republic of China "constitutes one of the sociopolitical acts of major world importance," said the Peruvian parliament in a motion approved Thursday

night about the 40th anniversary of the founding of the People's Republic of China.

The Peruvian parliament also expressed its greetings and recognition to the sister People's Republic of China, "for the bonds of friendship which link our people, which have been materialized through several processes of cultural exchange and economic cooperation."

The Peruvian people, indicated the motion, recognize the historic past of the Chinese people, their dynasties, their years of struggle and the process of change and development which they have achieved during the last 40 years for the good of the world's most populated nation.

The events which occurred in China must "serve as an example in several basic ways to the work and organized discipline of a nation which struggles and labors to achieve collective well-being," it said.

The motion by the Peruvian legislative power said that, during the last four decades, the Chinese people have managed to achieve major (word indistinct) in education, industry, food production, art and other scientific and cultural activities.

Holiday Photo Exhibit Opens in Mexico

OW0110010189 Beijing XINHUA in English
0210 GMT 30 Sep 89

[Text] Mexico City, September 29 (XINHUA)—A photographic exhibition marking the 40th anniversary of the foundation of the People's Republic of China opened at the National Autonomous University of Mexico Thursday night.

More than 70 photos are on display, reflecting the successes and progress made in industry, agriculture, science, technology and sports over the last 40 years in China.

With the participation of hundreds of people, diplomats from the Chinese Embassy and many Mexican personalities attended the opening.

Political & Social

Study Sessions Focus on Jiang's 29 Sep Speech

OW0410192489 Beijing XINHUA Domestic Service
in Chinese 1302 GMT 4 Oct 89

["Local Broadcast News Service"]

[Text] Beijing, 4 Oct (XINHUA)—The important speech by Jiang Zemin, general secretary of the CPC Central Committee, at the meeting in celebration of PRC's 40th founding anniversary evoked strong repercussions from all circles across the country. Many factories, schools, government offices, and neighborhood organizations held forums to study and discuss the speech. Public opinion in general is that Comrade Jiang Zemin's speech is a programmatic document guiding current party work and is of vital significance in uniting the people throughout the country to win a still greater victory in the drive for socialist modernization and reform.

Over the past few days, party committees of various provinces, autonomous regions, and municipalities held meetings to study Comrade Jiang Zemin's speech. Members of the Standing Committee of the Beijing municipal party committee said: Comrade Jiang Zemin's report is a programmatic document unifying the thinking of the whole party and guiding the work in the days to come. His report stresses the need to be vigilant and to guard against "peaceful evolution"—a major task concerning China's future and fate. It not only has a realistic purpose, but is also of far-reaching historical significance. They deeply felt that in order to guard against "peaceful evolution," it is necessary to 1) strengthen the Communist Party's leadership, 2) study Marxism-Leninism-Mao Zedong Thought, 3) uphold the public ownership system, 4) beef up the improvement of Army units, and 5) carry the present work of investigation and liquidation through to the end.

Lu Xuezheng, member of the Standing Committee of the Tianjin Municipal CPC Committee and secretary in charge of political and legal work, said: The speech is the first one since the turmoil to give a comprehensive elaboration of the party's internal and external policies. By combining theory with practice, it answered the questions whose answers are urgently needed by the whole party and all people in the country. It enabled the whole party and the people throughout the country to see more clearly their direction of advance and reinforced their confidence in upholding the one central task and two basic points.

Members of the Standing Committee of the Hubei Provincial CPC Committee said that the speech clearly explains the important questions that people inside and outside the party, at home, and abroad were concerned about. It not only embodies the firmness, clarity, and continuity of the party's theory and line, but also has the clear objective of solving realistic questions.

While studying the speech, Yang Rudai, secretary of the Sichuan Provincial CPC Committee, said: Comrade Jiang Zemin's speech puts great emphasis on ideological and policy issues and has specific objectives. It is a programmatic document on upholding the party's fundamental line of one central task and two basic points. It is also a political program for the third generation of the party's leading collective. The Sichuan provincial party committee has already issued a circular, urging all leading cadres at and above the county level in the province to make earnest arrangements to study Comrade Jiang Zemin's important speech.

In Guangdong Province, leading members of the provincial CPC Committee, the provincial Advisory Commission, the provincial Discipline Inspection Commission, the provincial People's Congress Standing Committee, the provincial government, and the provincial Committee of the Chinese People's Political Consultative Conference gathered together to watch the live relay of Comrade Jiang Zemin's speech. Lin Ruo, secretary of the provincial party committee, said that the speech will play a very important role in raising and unifying the thinking and understanding of the vast numbers of cadres and masses, making a success of the work of improving the economic environment and rectifying economic order, doing still better in upholding the party's fundamental line of "one central task and two basic points," and achieving success in carrying out the socialist modernization program. On the same day of the live relay, the Guangdong Provincial CPC Committee made a decision to organize the cadres and masses throughout the province to study Comrade Jiang Zemin's important speech.

Further on 30 Sep Li Peng Reception, Speech

OW0310153389 Beijing XINHUA Domestic Service
in Chinese 1509 GMT 30 Sep 89

[By reporters Li Shangzhi (2621 1424 1807) and Chen Naijin (7115 0035 6651); "Local Broadcast News Service"]

[Text] Beijing, 30 Sep (XINHUA)—Premier Li Peng hosted a grand reception this evening at the banquet hall of the Great Hall of the People to celebrate the PRC's 40th founding anniversary. Present at this grand and glorious event of the Chinese people were party and state leaders, as well as people from all walks of life and guests from various parts of the world.

In his speech, Premier Li noted the drastic changes China has undergone in the past 40 years under the CPC's leadership, changes brought about by the joint efforts of various nationalities. He said: Forty years of experience has taught us that only socialism can save and develop China. The only way out for China is to keep to the socialist road.

The banquet hall echoed with thunderous applause as Comrades Jiang Zemin, Yang Shangkun, Li Peng, Wan Li, Deng Yingchao, Qiao Shi, Yao Yilin, Song Ping, Li Ruihuan, and Wang Zhen appeared. Warm applause

also greeted the entrance of Prince Norodom Sihanouk, president of Democratic Kampuchea, and his wife, as well as Yi Chong-ok, Politburo member of the Workers' Party of Korea Central Committee and vice president of the Democratic People's Republic of Korea.

Also present at the reception were Egon Krenz, member of the Politburo and Secretariat of the Socialist Unity Party of Germany and deputy chairman of the Council of State of German Democratic Republic; Malaji Halide, speaker of the Pakistani Parliament; Miroslav Zavadil, member of the Czechoslovak Communist Party Central Committee Presidium and chairman of the Czechoslovak trade union; Hoang Van Hoan, an old friend of the Chinese people; I.V. Arkhipov, vice chairman of the Soviet-Chinese Friendship Society and former first vice chairman of the Council of Ministers of the USSR; Ryoichi Kawai, chairman of the Japan-China Association of Economy and Trade; Lionel Soto, member of the Cuban Communist Party Central Committee Secretariat; Wolf Rauchfuss, member of the Socialist Unity Party of Germany Central Committee and vice chairman of the German Democratic Republic's Council of Ministers; Alvaans Kadekai, deputy coordinator of the national standing Secretariat of the Burundi Unity and National Progress Party; Alexander Haig, former U.S. secretary of state and current board chairman of the U.S. Unitech Company; and Mukaibo Takashi, president of the Japan-China Association.

The banquet hall glistened with lights this evening. A big national emblem was hung on the curtain of the rostrum, flanked by 10 bright red flags. There were fresh flowers around the rostrum. The hall was filled with lively music. All those present were smiling and elated.

At the beginning of the reception, a military band played the PRC national anthem.

Afterward, Premier Li Peng delivered a speech. He first extended greetings and warm regards to workers, peasants, and intellectuals of all nationalities engaged in socialist modernization on all fronts; to all patriotic people, officers, and men of the People's Liberation Army, Armed Police Force, and the People's Police; and to compatriots from Hong Kong, Macao, and Taiwan, as well as other Overseas Chinese. He also extended a warm welcome to guests from various countries and foreign envoys in China, and expressed heartfelt thanks to foreign friends who were concerned about and supportive of China's modernization.

Premier Li's speech was interrupted frequently by enthusiastic applause.

After Li's speech, party and state leaders toasted all Chinese and foreign guests and had cordial conversations with them. The reception was enveloped in a warm atmosphere of solidarity and friendship.

Leaders Attend National Day Festivities

OW0210234189 Beijing XINHUA Domestic Service
in Chinese 1740 GMT 1 Oct 89

["Local Broadcast News Service"]

[Text] Beijing, 1 Oct (XINHUA)—Some 1 million people from all walks of life in the nation's capital held various activities, with the gala party on Tiananmen Square as the central one, to warmly celebrate the 40th anniversary of the founding of the People's Republic of China.

Comrades Jiang Zemin, Deng Xiaoping, Yang Shangkun, Li Peng, Chen Yun, Wan Li, Li Xiannian, Peng Zhen, Deng Yingchao, Qiao Shi, Yao Yilin, Song Ping, Li Ruihuan, and Wang Zhen mounted the Tiananmen Rostrum and joined the Beijing masses in celebrating National Day.

Some distinguished guests took part in the celebration on Tiananmen Rostrum. They included the President of Democratic Kampuchea Samdech Norodom Sihanouk and his wife; Yi Chong-ok, member of the Political Bureau of the Central Committee of the Workers' Party of Korea and Vice President of the Democratic People's Republic of Korea; Egon Krenz, member of the Political Bureau and the Secretariat of the Central Committee of the Socialist United Party of Germany and deputy chairman of the Council of State of the German Democratic Republic; (Melaji Halid), speaker of the National Assembly of Pakistan; Miroslav Zavadil, member of the Presidium of the Czechoslovak Communist Party Central Committee and chairman of the Central Council of Czechoslovak Trade Unions; the Chinese people's old friend Hoang Van Hoan; and I.V. Arkhipov, vice chairman of the Soviet-Chinese Friendship Society and former first vice chairman of the Council of Ministers of the USSR.

Tiananmen Square tonight was full of people, flowers, and lanterns. The majestic Tiananmen Rostrum was brightly lit. The two large slogans at both sides of the rostrum—"Long Live the Motherland" and "Invigorating China"—formed of red neon tubes, were especially eye-catching. High buildings, such as the Great Hall of the People and the Historical Museum, and pine trees around the square were also decorated with innumerable colored lights glimmering like stars in the sky.

At 1900 sharp, State Councillor and Beijing Mayor Chen Xitong, standing on Tiananmen Rostrum, announced to the masses the start of the gala party. All those present stood as the military band struck up the National Anthem and a 28-gun salute was fired. At the same time, some 1,000 workers from the Shoudu Iron and Steel Complex, holding red and yellow ribbons and facing the Tiananmen Gate, formed a large pattern of the national flag and the figures of the year "1949-1989." A group of Young Pioneers, wearing costumes of 56 nationalities, walked into the square to the solemn "Flower-presenting Song" and placed 4 large and 56 small baskets of flowers

at the Monument to the People's Heroes, with the 4 large ones representing the 4 decades since the founding of the People's Republic of China and the 56 small ones representing the 56 nationalities in China. The Young Pioneers made a solemn vow: "Carry out the behest of the martyrs' and be prepared at all times to struggle for the communist cause!"

Then, the recreational activities began. The military band played "Sing to the Motherland," "Our Workers Have Strength," "On the Field of Hope," "The Red Sun will Never Set," and other musical numbers. Lion and dragon dances were performed on the square, with 17 lions and 7 dragons participating. A 45-meter-long huge dragon spiraled, showing a scene of "dragons rising and tigers leaping" and symbolizing the prosperity, vigor, and vitality of our motherland.

After the opening ceremony, melodious music resounded over the square. Workers, peasants, students, office cadres, scientists, technicians, literary and art workers, and commanders and fighters of PLA units in Beijing danced to the joyful music. Some professional and amateur art troupes presented excellent literary and art programs. Model workers and advanced workers from various parts of China also joined the Beijing people in dancing on the square.

The 30,000 workers representing the 1 million working class people in Beijing were especially active. The programs they performed, such as singing, dancing, rhythmic calisthenics, magic, acrobatics, and comedy, were punctuated by applause. Some 8,000 peasants from Beijing suburbs performed folk songs and dances to express their gratitude to the CPC.

Near the flagpole in the center of the square was the performing zone of the "Iron Great Wall"—the PLA. Many of them were valiant guards who took part in quelling the recent counterrevolutionary rebellion. Several months ago, they rushed to Beijing on the orders of the party Central Committee and the Central Military Commission and put down the rebellion in one stroke. They went through a test of blood and fire in defense of the People's Republic. Some fighters who took part in the cleaning of Tiananmen Square on the early morning of 4 June could not hold back their joyful tears when they now looked at the lofty and solemn Tiananmen Rostrum and the beautiful night scene of trees decorated with colored lights. Xu Qixuan, director of the Political Department of a regiment under the Beijing Military Region, told reporters: "Please look. How happily these fighters are singing and dancing! Their singing and dancing contain their profound love for the Republic." He was a young soldier when he took part in forming human patterns during a National Day celebration 20 years ago. On the early morning of 4 June this year, he led fighters and joined fraternal units in cleaning Tiananmen Square. He said with emotion: "I want to shout: We love you, People's Republic, and we will always be your loyal defenders!"

At 1920, fireworks were set off, forming a three-dimensional colorful picture in the sky, containing red characters "Celebrating the 40th anniversary of the founding of the People's Republic." The fireworks kept changing pattern. Some were like huge dragons dancing in the sky, or like rolling red waves in rosy clouds. Others were like radiant pearls or red grapes. Still others were like bending ears of wheat. There were newly-developed fireworks with such names as "palm trees," "double-happiness lamps," "orchids," "waterfalls," and "Huangshan clouds." They symbolized the great achievements we have made in the 40 years since the founding of the People's Republic, and the pride of the independent Chinese nation among the world's people.

There were four 15-minute firework displays tonight. In addition, 14 searchlights were beamed at the sky, forming a spectacular display over the square.

Some 15,000 college and middle school teachers and students also participated in tonight's gala party. They marched briskly, sang ebulliently, and had all sorts of feelings when they joined the masses in celebrating National Day on the square. Zheng Haibin, a graduate student of the Department of Automation of the Qinghua University, said happily: "How beautiful the fireworks are!" He said that he would treasure his valuable youth, study Marxist theories, learn scientific and general knowledge, and contribute to the construction of the socialist motherland after graduation.

Nearly 20,000 guests, seated on the platforms on both sides of Tiananmen Square, frequently burst into applause or cheers. They included model workers who made outstanding contributions to the prosperity of the motherland in the last several decades, PLA heroes who contributed to peace and economic development in our country, personalities who rendered meritorious service in war and helped in founding New China, outstanding entrepreneurs who have made important contributions to reform, opening to the outside world, and economic construction, outstanding and honest cadres who serve the people wholeheartedly, members of democratic parties, well-known nonparty figures, visitors of minority nationalities, Hong Kong, Macao, and Taiwan compatriots, Overseas Chinese, and foreign friends.

Some 100 Taiwan compatriots who took a special trip to China to celebrate the 40th anniversary of the founding of the People's Republic were immersed in joy on the square tonight. Chen Jiming, an old Overseas Chinese residing in Chicago in the United States, looking at the fireworks in the sky and the happy crowd on the square, said with emotion: Such a spectacular scene can't be seen anywhere else in the world. As a Chinese saying goes, "At the age of 40, one will not be confused." He believed that the motherland would certainly become more mature, stable, and developed in the years to come.

Huang Weilu, 73, is a famous guided missile and rocket expert working for the No.2 Research Institute of the Ministry of Aeronautics and Astronautics Industry.

Looking up at the sky, he said with emotion to reporters: "It hasn't been easy. In 40 arduous and yet glorious years, China's astronautics industry has been built from scratch and grown, and it now occupies an important position in the world astronautics industry. What are we relying on to enhance our international prestige and boost the morale of our people? We are relying on the correct leadership of the Communist Party, the superiority of the socialist system, and our spirit of hard struggle and self-reliance.

Fireworks were set off and celebration activities were held also at other spots, including the Beijing Workers' Stadium, Taoran Pavilion, Longtanhu Lake, Zhongguancun, Tongxian County, Fengtai, Shijingshan, and Mengtougou.

The following people also joined the celebration on Tiananmen Rostrum: Comrades Tian Jiyun, Li Tieying, Li Ximing, Wu Xueqian, Qin Jiwei, Ding Guangen, Song Renqiong, Wen Jiabao, Wang Ping, Wang Shoudao, Wu Xiuquan, Liu Lantao, Li Desheng, Yang Dezhi, Xiao Ke, Yu Qiuli, Zhang Jingfu, Lu Dingyi, Chen Pixian, Chen Xilian, Hu Qiaomu, Duan Junyi, Ji Pengfei, Huang Hua, Huang Zhen, Kang Shien, Xi Zhongxun, Peng Chong, Zhu Xuefan, Ngapoi Ngawang Jigme, Yan Jici, Rong Yiren, Liao Hansheng, Ni Zhifu, Chen Muhua, Lei Jieqiong, Wang Bingqian, Song Jian, Wang Fang, Zou Jiahua, Chen Xitong, Ren Jianxin, Wang Renzhong, Fang Yi, Kang Keqing, Zhou Peiyuan, Wang Guangying, Deng Zhaoxiang, Zhao Puchu, Qu Wu, Ma Wenrui, Wang Enmao, Qian Weichang, Hu Sheng, Cheng Siyuan, Lu Jiaxi, Ismail Amat, Hou Jingru, Hong Xuezhai, and Liu Huaqing; retired comrades of central organs; members and alternate members of the CPC Central Committee residing in Beijing; members of the Central Advisory Commission; members of the Standing Committee of the Central Discipline Inspection Commission, the NPC Standing Committee, and the Standing Committee of the CPPCC National Committee; responsible persons of democratic parties; representatives of nonparty patriots; responsible persons of central party, government, and Army leading organs; responsible persons of mass organizations; representatives of model workers, PLA heroes and advanced workers; representatives of outstanding officers and men of grassroots PLA units; families of revolutionary martyrs and deceased servicemen; and representatives of minority nationalities visiting groups.

Provinces, Regions Celebrate National Day

OW0210224389 Beijing XINHUA Domestic Service
in Chinese 1504 GMT 2 Oct 89

[“Local Broadcast News Service”]

[Text] Beijing, 2 Oct (XINHUA)—While joyful celebrations are held nationwide to mark the 40th founding anniversary of the People's Republic of China, people of all nationalities in the country have expressed their warm love for the Communist Party and deep affection for the socialist motherland with songs and dances.

Sichuan: Responsible persons from the party, government, and Army in Sichuan Province and Chengdu City took part in the celebrations held in a park together with some 300,000 people in Chengdu City on 1 October. At 0900, a performance was given by some 1,000 members of minority folk dance troupes who had come from over a dozen provinces, municipalities, and autonomous regions to Chengdu for the “Chinese Dances at Chengdu in Autumn,” a big dance festival sponsored by the city. Thousands upon thousands of people lined the streets to watch the performance with bursts of applause ringing out from time to time.

Guizhou: The streets of Guiyang are scenes of colorful banners and beautiful flowers during National Day celebrations. Various three-dimensional art structures built with multicolored grasses and flowers and showing national characteristics made Guiyang a colorful city. Various cultural, entertainment, and sports activities conducted by the masses in this provincial capital show that the situation in our country is stable and the people are living in peace. On the morning of 1 October, party, government, and Army leaders of Guizhou Province and Guiyang City along with representatives from various walks of life braved the rain to come to a park, where they attended celebrations together with public security cadres, Armed Police fighters, and masses of different nationalities.

Inner Mongolia: On 1 October, more than 50,000 people of various nationalities, in gala dress, gathered at the People's Park in Hohhot, the capital city of this autonomous region. They danced the Andai dance [1344 0108 5294] and sang the song of unity, hailing the fact that unity of different nationalities in Inner Mongolia enters the best period.

Qinghai: On 1 October, Xining, an ancient city on the plateau, presented a scene of beautiful sunshine with crisp air in the wake of a shower. Five-star flags flying on buildings appeared exceptionally solemn under the background of blue skies and white clouds. In the newly-built flower beds along the streets are various kinds of flowers. Hung on buildings with unique minority characteristics were big horizontal streamers, reading “Long Live the Great Unity of People of All Nationalities in the Country,” “Warmly Acclaim the Great Achievements of China's Socialist Construction and Reform,” and so forth. In a happy mood, party and government leaders of Qinghai Province and Xining City came to the Xining City People's Park to join the masses of various nationalities and from various circles in celebration activities.

Song Ping Addresses Model Workers

OW2109131489 Beijing Domestic Service in Mandarin
1200 GMT 20 Sep 89

[From the “National Hookup” program]

[Excerpts] The National Commendation Meeting of Advanced Grassroots Party Organizations and Exemplary Party Workers was held ceremoniously in Huarentang Hall at Zhongnanhai today.

On behalf of the CPC Central Committee and its Organization Department, Song Ping, member of the Standing Committee of the Political Bureau of the CPC Central Committee and head of the party building group of the CPC Central Committee as well as head of the Organization Department of the CPC Central Committee, congratulated the 400 representatives and extended cordial regards to grassroots party organs at all levels and party workers on all fronts.

At the meeting, Song Ping made a speech entitled: "Improve the Quality of Party Members and Enhance the Fighting Capacity of Party Organizations." He said: We should educate Communist Party members to be firm in their political stand and steadfast in their principles to enhance the quality of party members. A Communist Party member must know that upholding the four cardinal principles is the foundation of the Republic; it is also a basic requirement of a Communist Party member. Those who shed doubt on or propose abolishing the four cardinal principles are not qualified to be Communist Party members. Those who do not criticize or struggle against words or deeds negating the four principles or even condone or support such words or deeds are not qualified to be Communist Party members either. We must take note of the fact that over the past few years, quite a number of party members were not very vigilant against peaceful evolution by hostile forces abroad. Their sense that class struggle continues to exist within certain limits has been blunted, they were unable to tell right from wrong on major matters of principle, and they remained indifferent to antiparty and antisocialist words and deeds. This situation merits our greatest attention. If every party member is firm in their political stand and steadfast in their principles, a strong atmosphere of adhering to principles will permeate the entire party; the ideology of bourgeoisie and all other erroneous words and deeds, which are harmful to the interests of the party and the people, will lose their market; and the party will always be full of vitality and fighting power. [passage omitted]

Speaking of construction of grassroots party organizations, Song Ping said: Giving full play to the role of grassroots party organizations is an important guarantee for fulfilling party leadership. The "Circular on Strengthening Party Building" issued recently by the Central Committee specifically defines the role of party organizations in enterprises as the political core. This solves a major question that remained unsolved for many years. The key to whether a party organization in an enterprise is able to truly function as the political core lies in whether it is able to take advantage of the favorable opportunity now to concentrate on straightening out ideology, organization, and workstyle. First of all, there should be a leading body that is up to the mark. It is particularly important to elect a fine secretary.

Song Ping also particularly stressed the question of strictly implementing democratic centralism within the party. Democratic centralism is a fundamental system that guarantees correct party leadership. We should further promote and strengthen democracy within the party in the future. However, such democracy does not mean ultrademocracy or anarchism, let alone the democracy espoused by advocates of bourgeois liberalization. We should safeguard party unity and the authority of the party Central Committee while further promoting democracy. [passage omitted on materials covered by referent item]

Song Ping also discussed upholding and carrying forward the three important styles of work [integrating theory with practice, forcing close links with the masses, and practicing self-criticism] and the question of bringing up a contingent of qualified party workers.

In conclusion, Song Ping said: At present, a general climate favorable to strengthening party building is already there. Party organizations at all levels and the vast number of party workers must take advantage of this favorable opportunity; steadfastly strengthen the party ideologically and organizationally; improve the party's workstyle; make new, greater contributions in improving the quality of party members; enhancing the unity, appeal, and fighting capacity of party organizations; and strengthening and improving party leadership. [passage omitted]

Song Jian Tours Benxi; Discusses Pollution

SK2509124589 Shenyang Liaoning Provincial Service
in Mandarin 1030 GMT 23 Sep 89

[Text] From 21 to 23 September, accompanied by Governor Li Changchun and Vice Governor Wen Shizhen, State Councillor Song Jian and leading comrades of relevant departments and commissions of the state, went to Benxi City to deal with official work on the spot and to solve issues on improving pollution.

Benxi City is an important industrial raw materials production base of our country; therefore, pollution is fairly serious there. In the urban area, there are more than 400 industrial and mining enterprises within a range of 43 square km. They discharge lots of industrial wastes, smoke and dust, industrial dust, and other waste gas and materials every year. Because the urban area is surrounded by mountains, the natural diffusion capacity is poor. The urban area is always full of smoke. It has become a city that cannot be seen from a satellite. This situation has aroused the attention of the CPC Central committee, the State Council, and the people throughout the country.

Over the past 2 days or so, Comrade Song Jian inspected the Benxi Iron and Steel Company, the No 1 and No 2 steel plants, the rolling mill, the coking plant, the No 2 shoe-making plant, the power plant, the (Yuanshen) open-cut mine, the Benxi Cement Plant, the (Gongyuan) Cement Plant, and the (Dayi) water plant in Benxi.

Comrade Song Jian heard briefings by Yu Guopan, mayor of Benxi City, (Zhang Wenhua), manager of the Benxi Iron and Steel Company, and (Liu Chengdong), manager of the Benxi Cement Plant. Song Jian said: The people of Benxi have promoted the spirit of plain living, arduous struggle, and self-reliance for many years and have made great contributions. Over the past few years, the Benxi City government and all industrial and mining enterprises have done much to improve pollution and protect environment and have scored remarkable achievements. Let me extend heartfelt thanks to the leaders of Benxi City on behalf of the State Council. Comrade Song Jian also discussed ways to improve pollution together with Benxi City leaders and comrades of departments concerned.

Rong Yiren Addresses CITIC Reception

OW0310154889 Beijing XINHUA in English
1513 GMT 3 Oct 89

[Text] Beijing, October 3 (XINHUA)—Rong Yiren, vice-chairman of the Standing Committee of China's National People's Congress, gave a reception here tonight to mark the 10th anniversary of the founding of the China International Trust and Investment Corporation (CITIC), of which he is the chairman.

Chinese President Yang Shangkun, Song Ping, member of the Standing Committee of the Political Bureau of the Chinese Communist Party Central Committee, and Vice-President Wang Zhen attended the reception.

In his speech, Rong said that the corporation now has 23 subsidiaries (banks included) and has made investment in over 200 enterprises in and outside China. He said the number of its employees increased from more than a dozen to over a thousand and its registered capital grew from 200 million yuan to three billion yuan with a total assets of over 20 billion yuan. In 1988, its profits reached 240 million yuan, Rong said.

CITIC has gradually developed into an internationalized socialist conglomerate with diversified interests ranging from production, technology, finance, trade to services and it has enjoyed a fairly good reputation at home and abroad, he said.

Rong stressed that the CITIC would unswervingly follow the basic guideline of "taking economic development as the focus of work, adhering to the four cardinal principles and the policy of reforms and opening-up" affirmed since the Third Plenary Session of 11th Central Committee of the Communist Party of China.

"We shall continue, under the leadership of the party Central Committee and the government and with the support of various departments and localities and the industriousness and talents of all the staff of CITIC, to further display the pioneering spirit of being boldly creative and bring CITIC's role of being an important window of China's open policy into full play," he said.

The CITIC will further develop international economic and technological cooperation and exchanges on the basis of equality and mutual benefit, he said.

Participants in a symposium on Sino-foreign economic cooperation which closed today were also present at the reception.

Li Tieying Cites National Illiteracy Rate

OW3009070189 Tokyo KYODO in English 0444 GMT
30 Sep 89

[Text] Beijing, Sept. 30 KYODO—About 20 percent of China's population is illiterate and compulsory education for entire the nation will not occur at least until the end of the century, China's top education official said Saturday.

Japanese officials said Li Tieying, a Politburo member and chairman of the State Commission for Education, disclosed the state of Chinese education in a meeting with Keiwa Okuda, leader of a Japanese youth delegation.

Li also told the Japanese visitor that senior leader Deng Xiaoping has underscored the importance of educational reform in the wake of the student democracy campaign that was crushed in June.

Okuda, a former posts and telecommunications minister, has been in Beijing since Thursday as leader of a 150-strong Japanese youth delegation.

Conference on Aiding Poor Minorities Ends

OW0510041989 Beijing XINHUA Domestic Service
in Chinese 1459 GMT 23 Sep 89

["Local Broadcast News Service"]

[Text] Beijing, 23 Sep (XINHUA)—A national conference on developing and aiding the poor in minority nationality regions closed in Beijing this morning.

Ismail Amat, vice chairman of the National Committee of the Chinese People's Political Consultative Conference and vice minister in charge of the State Nationalities Affairs Commission, spoke at the meeting. He said: All local governments should pay keen attention to the work of aiding the poor in minority nationality regions. They should regard such aid as an important task for promoting unity, progress, and harmonious economic development among minority nationalities by assisting impoverished areas in terms of manpower and material and financial resources so as to do more concrete things to provide poverty-stricken minority nationalities with enough to eat and wear within a set time. Poor areas, instead of waiting for, relying on, and asking for assistance, should work hard and rely on their own strength and wisdom in improving production conditions, eliminating backwardness, wiping out poverty, and becoming well off.

He said: We should actively utilize the advantages of impoverished minority nationality regions in assisting the poor through economic development. On the condition that grain production is ensured, we should adopt measures suited to local conditions and make the best use of favorable factors while avoiding the unfavorable in rationally readjusting the production structure; developing and utilizing agricultural, forestry, animal husbandry, mining, hydroelectric, and tourism resources; and promoting the development of diversified management.

Reform Commission Official Reaffirms Policies

HK0510024489 Beijing ZHONGGUO XINWEN SHE
in Chinese 0913 GMT 2 Oct 89

[Report: "An Official From the State Structural Reform Commission Says That China Has No Reason To Change Its Policy of Reform and Opening up"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 2 Oct (ZHONGGUO XINWEN SHE)—Gao Shangquan, vice minister of the State Economic Structural Reform Commission, said today that China will not negate the main trend of reform and opening up for the last 10 years because of some errors, nor will it negate its reform achievements over the last 10 years because of Comrade Zhao Ziyang's mistakes. Since the orientation of reform and opening up is correct and on the whole reform and opening up have proved successful, we have no reason to change the policy of reform and opening up.

At a seminar on Sino-foreign economic cooperation sponsored by the China International Trust and Investment Corporation, Gao Shangquan disclosed that the factory director (manager) responsibility system will remain unchanged because the "Enterprise Law" has explicitly confirmed the position of factory directors. Since a law has been legislated, its seriousness and stability should be preserved; it should not be altered at will.

In his opinion, for China at present, its enterprises should remain stable, its economy should remain stable, and its people's feelings should remain stable. Stability is the country's highest interest. This is a point of departure for China to consider the further implementation of the policy of reform and opening up.

He said that China will encounter some new problems in the course of deepening reform in the future. These problems include strengthening the role of large and medium-sized key enterprises under ownership by the whole people; controlling demand for consumption; alleviating unfairness in distribution; strengthening and improving macrocontrol and regulation; making efforts to bring about positive balances in finances, material supply, credit, and foreign exchange; practicing tax separation [shui shou fen liu 4451 2392 0433 3177]; repaying loans after tax; trial-implementing the contract

system after tax and the shareholding system after tax; and further strengthening its international economic cooperation and exchanges.

State Council Commends Model Workers

HK0410064589 Beijing RENMIN RIBAO in Chinese
29 Sep 89 p 1

[XINHUA report: "State Council's Decision on Commending National Model Workers and Advanced National Workers (28 September 1989)"]

[Text] Under the guidance of the party's line, principles, and policies laid down since the 3d Plenary Session of the 11th CPC Central Committee, by taking economic construction as the key link, adhering to the four cardinal principles, persisting in reform and opening up, carrying out arduous struggle, and working diligently; the people of all nationalities in our country have contributed their wisdom and strength toward speeding up socialist construction, effected enormous changes in the outlook of our country, and scored great successes that have attracted international attention. A large number of advanced and exemplary figures have emerged in all trades and professions and on all fronts.

To further encourage the people of the whole country to rouse themselves, work with one heart and one mind, carry out still better the principle of improving the economic environment, rectifying the economic order, and deepening the reform in an all-round way, strive to attain the objectives put forward by the 4th Plenary Session of the 13th CPC Central Committee, bring into full play the key, leading, and bridge-building role of advanced and exemplary figures in the four modernizations drive, and commend their outstanding contributions in reform and construction, the State Council has decided to award 1,987 comrades, including Tu Xuexin, the glorious titles of national model workers and 803 comrades, including Peng Shixiong, the glorious titles of advanced national workers.

The State Council hopes that the comrades obtaining the glorious titles of national model workers and advanced national workers will be modest and prudent, guard against arrogance and rashness, preserve and carry forward the spirit of self-reliance, hard struggle, and selfless devotion and the death-defying spirit, work persistently and unremittingly, advance bravely, and make new, greater contributions to China's socialist modernization program.

The State Council calls on the vast numbers of workers, peasants, intellectuals, and cadres at all levels in all trades and professions and on all fronts across the country to learn from the national model workers and advanced national workers, rally closely around the party Central Committee, uphold the basic line of "one center, two basic points" defined by the 13th party congress, and strive to build socialist material civilization, promote socialist spiritual civilization, invigorate the Chinese nation, and achieve the four modernizations.

Source of Tiananmen Video Identified

HK0410081889 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1240 GMT 3 Oct 89

[Report: "Where Did The Videotape on "Clearing Tiananmen Square" Come From?"—ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, 3 Oct (ZHONGGUO TONGXUN SHE)—In its news hookup on 6 June, the Central Television Station broadcast a videotape entitled "On-the-Spot Record of the Clearing of Tiananmen Square." According to a military source, the videotape came from Zhang Qiang, a volunteer from the videoroom of a group army.

On the early morning of 4 June, Zhang Qiang reportedly walked among the front ranks of the troops clearing the square. Suddenly, with the exception of the lamps encircling the national emblem on the Great Hall of the People, all lights on the square went out. Zhang Qiang immediately turned on a 1,400-watt battery lamp to enable him to take pictures. At that time, there were still over 3,000 people gathered around the Monument to the People's Heroes and the "goddess sculpture." Many soldiers told him not to switch on the light, but he persisted in taking pictures under the strong lamplight, eventually succeeding in shooting the film.

Liaoning Leader Stresses Clean Government

HK2509121089 Beijing RENMIN RIBAO in Chinese 18 Sep 89 p 5

[Article by Quan Shuren (0356 2885 0088), secretary of Liaoning Provincial CPC Committee: "Building Clean Government Is a Major Task—Some Lessons Drawn from the Analysis of Six Typical Cases"]

[Text] Recently, together with some comrades concerned, I analyzed six typical cases, which involved over 100 people in nearly 40 institutions. These typical cases show that party organizations must constantly increase their ability to resist corruption and must take this as a major task in party construction in the new period.

Complicatedness and Arduousness of the Anti-corruption Struggle

We found the following characteristics of the six cases:

First, lawless people in society tried by every possible means to rope in and corrupt our party cadres in order to make use of the powers in their hands. From July 1987 to November 1988, the Chengjian sub-branch of the Construction Bank, Shenyang City Branch, by offering a loan of 5.2 million yuan to Yang Renjie and his brother Yang Renlong, both self-employed traders, to rebuild two houses which they used to run Dongfang Fast Food Shop into a four-story building with a total floor space of 3,400 square meters, was involved in a joint venture with the Yang brothers. According to the agreement between the bank and the Yang brothers, the new building will be

shared by both sides, with half being used by the Yang brothers to continue their catering business and half being used by the bank as office. The Yang brothers then used more than 100,000 yuan from the loan that they had received by deceiving the bank in order to bribe to the officials in the government institutions responsible for approving construction subjects, requisitioning land, coordinating civilian air defense projects, and other approval procedures. Their bribes were taken by 15 party cadres in more than 10 institutions, and the bribe-takers helped the Yang brothers unclog all necessary channels and pave the way for their illegal activities. In another case, Zhu Zhengbiao, former director of the Light Industry Bureau of Shenyang City, was roped in by Hong Kong businessman Yip Lap-fat, who was general manager of Lungwah Enterprise Company in Hong Kong. In September and October 1988, Yip entered China 5 times and smuggled 4,550 grams of gold jewelry into China from Hong Kong. He illegally sold the jewelry in Shenzhen, Zhuhai, and Shenyang. He gave Zhu two gold rings and one gold necklace as gifts. Then Zhu not only helped Yip sell the smuggled goods, but also helped Yip hide 111 gold rings with a total weight of 588 grams when Yip's criminal activities were discovered, thus putting a lawbreaking businessman from Hong Kong under his protection.

Second, some state officials turned their powers that should be used to serve the masses and the grass-roots units into a means of getting money from the latter, and some cadres even extorted money from the masses. Beginning in 1984, Yang Yongquan, former director of the Haixi Office of the Agricultural Bank in Gaixian, extorted some 400,000 yuan in bribes from more than 60 fisherman households when the latter were urgently in need of loans for raising shrimps and collecting jellyfish. Then, Yang again loaned out the money he had extorted at a usury rate of 21 percent to local fishermen in order to make further staggering profits. In another case, He Shoumin, manager of the provincial farm machine company, extorted bribes from those who wanted to buy tractors from his company. He refused to sell tractors to those who did not pay a bribe. In 1987, he extorted and received 6,000 yuan in bribes from the farm machine companies in Faku County and Zhuanghe County by selling tractors.

Lin Lemin, director of the Park Management Bureau of Dandong City, took away 40 packs of boat tour tickets from the booking office in the name of issuing "gift tickets" to various institutions for advertising purposes. Then he asked the ticket sellers to sell these tickets to the public, and he embezzled all the money, totaling more than 14,000 yuan, from the sale of these tickets. He also abused his power by blackmailing the stall-keepers inside various parks by deliberately making things difficult for them if they did not give him bribes. He took more than 8,000 yuan in bribes from two stall-keepers by blackmailing them more than 10 times.

Third, these lawbreakers often sought various "protection umbrellas" for their illegal activities. Some criminals used to flaunt the banner of reform and tried to get good political fame and popularity in order to cover up their economic crimes. This was markedly reflected in the money-power deal between the Yang brothers and Zhang Yingbo, a member of the party standing committee and director of the party committee's propaganda department in Shenhe District, Shenyang City. The Yang brothers thought that in order to make big money, they needed to seek some political backers. So they began to play various tricks. First, they offered low-price food for primary school pupils and donated 30,000 yuan to the Children Art Foundation in order to earn a good name in the political aspect. Then, they spent a lot of money to bribe Zhang in light of his needs. Zhang was discharged from a hospital after recovery, and then the Yang brothers sent nourishing food to Zhang's house every week; they found that Zhang was still using a black-and-white television set, so they delivered a color television to his house; when they knew that Zhang owed other people some money in order to buy a piano, they sent 2,000 yuan of cash to Zhang. When Zhang was engaged in some "maneuvers" before a new district party committee was to be elected, the Yang brothers gave him 1,500 yuan as "money for maneuvers;" when a new apartment was assigned to Zhang, the Yang brothers helped him decorate the new house. Zhang eventually became a political backer for the two brothers through the political fraud and high-cost bribery.

Some criminals used money to fabricate a "network of connections." They gave small favors and benefits to leading cadres and workers of the institutions concerned so that they can be shielded by some leaders of their units. After He Shoumin's blackmailing case was exposed, some leaders still tried to cover up his case and took a negative attitude toward the investigation of his case. An important reason was that after taking and extorting bribes, He Shoumin used a small part of the ill-gotten money to issue bonuses and welfare allowances to the workers in his company while lining his own pockets.

Educating Party Members and Cadres and Building a "Bastion of Iron" in Their Minds for Resisting Corruption

In the six cases, some people offended laws, violated discipline, and became degenerate always after a certain evolution in their minds. Some of them were attracted by wealth and money in the commodity economy and forgot their duty of serving the people wholeheartedly. In this regard, Yang Yongquan provided a typical case. He was originally an honest grass-roots cadre. In 1984, after he was appointed to be director of the bank office, some customers began to give him cigarettes and wines as gifts. At the beginning, he felt ashamed to receive such gifts and regarded them as ill-gotten gains. Afterward, he saw that his neighbors were getting richer one after another. How could he also get rich if he just honestly earned the small amount of his salary? His mind began to change,

and also tried to exchange the power in his hand for pecuniary gains. Eventually, he became a fanatical money fetishist and unscrupulously and rapaciously extorted money from other people.

Some people degenerated into criminal offenders after their ambition of becoming a higher official and holding greater power swelled to an extreme degree and they crazily sought fame and gain. Once they held power, they did not hesitate to use the power in their hands to seek selfish gains without any restraint. He Shoumin was assigned to the provincial farm machine company after he graduated from a university in 1982, and was promoted to be the company's deputy manager in 1985. He was further promoted to be the company's manager in April 1987. He was a young cadre being promoted rather rapidly. The rapid promotion in turn further stimulated his desire to climb up to a higher and higher position. He spared no effort to curry favor with superior leaders in order to get further promotion. In 1987, he embezzled 4,500 yuan from the company and gave the money to leaders of the bureau in charge. He said that "I am a successor to the bureau chief, so I need to perfectly curry favor with the current bureau leaders, especially the first and second in command."

Some people lost interest in their political progress and simply indulged themselves in pleasure-seeking. They cast aside the ideal, morality, and belief of a Communist Party member, disregarded party discipline and the party's organizational principles, and simply had their own way. Sun Shaohua is a person of this kind. He seldom attended political study sessions and often asked his deputies to attend the meeting held by the upper authorities on his behalf. He was only keen on developing his personal connections. In a period of several years, he approved a number of loans in violation of the regulations for those who had personal connections with him, and retorted against those who disagreed with what he did by saying that "I have power, so I can make the decision." He defied the repeated instructions of the central authorities on restraining the institutional purchase power. When a comrade showed him the document issued by the upper authorities about controlling the purchase, he said: "You don't need to care about this, and I will take the blame if any trouble occurs." The Construction Bank in Dandong City under his leadership violated regulations several times in a few years, and the amount of loans issued in violation of the regulations reached over 30 million yuan by the end of 1987, and increased to 51.53 million yuan by the end of 1988. He still did not care a bit about this problem, and continued to act as a manager of this or that company in society in an attempt to find a good job after he retired from the bank.

In recent years, party organizations relaxed ideological education among party members and cadres and did not mention the necessity of transforming the world view. In particular, the communist ideal, morality, and belief, the dedication spirit, and the tradition of austerity and hard work in the rebuilding of our country were very rarely

mentioned. As a result, the decadent ideas of seeking personal wealth and placing money above everything else and the bourgeois mentality of money fetishism spread inside the party. After rising to a powerful position, some cadres freed themselves from the supervision of the party organizations and the masses. They were keen on seeking fame, material gain, and high status and indulged in pleasure-seeking. With this mentality, they more and more seriously abused the power in pursuit of private gains and became venal and corrupt. All party organizations and all party members and cadres should seriously draw a lesson from these negative cases.

Party Organizations Must Be Built Into Strong Bastions in the Anti-Corruption Struggle

The investigation of the party organizations to which principal culprits in the six cases belonged showed that the common problem of these party organizations was their weakness and laxness and their lack of fighting capacity.

First, party organizations in some units almost did not function, and their routine meetings were merely formalities. In some units, party organizations were "replaced" by the administration and were subject to those who held administrative power. In those units, party branches and party groups did not hold meetings regularly, and their leading bodies did not hold formal meetings to discuss party affairs and carry out criticism and self-criticism. Sun Shaohua was secretary of the party leading group in the Construction Bank of Dandong City, and he never called any formal meeting of the party leading group. In the party leading group, he acted arbitrarily and did not allow other people to express different opinions. At a meeting, the discipline inspection commission secretary said that too many bonuses were issued in a subordinate unit and such things should be checked. Then Sun Shaohua flew into a fury and said: "Do you try to supervise me? Get out!" The discipline inspection commission secretary was immediately driven out of the meeting room. After being arrested, Yang Yongquan confessed: "In the past, I did not dare to take the money and wines some people presented as gifts, because the party branch held a meeting every few days and discovered the problems among party members in good time. The erring party members would be criticized at the meetings, and no one dared to commit a mistake perversely. In recent years, meetings of the party organizations became merely formalities. I did not report my thinking to the party organization in the past 4 to 5 years, and no one representing the party organization came to talk with me to show concern about my thinking. If I were admonished by other people before it was too late, I might not have committed such serious crimes."

Second, the party organizations at the higher level did not pay close attention to the conditions in the subordinate units and simply took a laissez-faire attitude. They seldom sent cadres to find out about the actual conditions in party construction in the subordinate units. For example, the party secretary in the provincial farm

machine company once planned to summon party members to study the Central Discipline Inspection Commission's regulations on expelling bribe-takers from the party, but He Shoumin did not agree and said that "I will take the blame if there is any trouble." The party secretary reported this matter to the party leading organ at the upper level, but no one in the upper party leading organ took care of this matter.

When the regulations for the activities of the party organizations were not strictly implemented, the party organizations would just become lax and slack and would lose the combat effectiveness. Some party cadres who were freed from supervision inside and outside the party would regard themselves as special party members. This was a major reason for the violations of discipline and the corruption cases in those units.

Third, there was a deviation in the appointment, promotion, assessment, and management of cadres. Lopsided stress was laid on their work abilities, and their moral and ideological integrity was neglected. When cadres were assessed, attention was merely paid to their superficial work performances and no attention was paid to their personal character. Sometimes, cadre promotion and appointment were merely based on the favorable feelings of some leaders at the upper level. When problems in the behavior of some cadres were discovered, no prompt action was taken to solve them. No regular and effective supervision was carried out in normal times. The necessary systems for regular organizational assessment and mass supervision, as well as the systems of avoidance and transfer for cadres, have not been established yet. This is also an issue that should be urgently studied and solved.

CPC Approves Writers Group Leader's Resignation

HK0410034189 Hong Kong WEN WAI PO in Chinese
29 Sep 89 p 5

[Report: "Resignation of Tang Dacheng, Secretary of the Party Group of Chinese Writers' Association, Approved"]

[Text] According to information from Beijing, the resignation presented by Tang Dacheng, secretary of the party group of the Chinese Writers' Association, was approved by the CPC Central Committee a few days ago, and the leadership of the association is to undergo a change.

Over the last few months, Tang Dacheng was first hospitalized for medical treatment, and stayed at home to recover. After that he never went to work.

Seasoned critic Feng Mu and Mongolian writer Malaqinfu are currently responsible for the party work in the Writers' Association. Routine work was mostly canceled. Of the members of the Writers' Association secretariat elected by the 4th congress of the association, apart from Tang Dacheng, Standing Secretary Bao Chang passed away early this year, while another secretary, Shu Peide, contracted cancer.

So far the higher organization has not appointed new party secretaries for the association. The 5th congress of the association originally scheduled for this year was put off, and it is difficult to predict when the congress will open.

Article Reaffirms Marxism's Guiding Role

HK0410090089 Beijing JIEFANGJUN BAO
in Chinese 19 Sep 89 p 3

[Article by Wei Xing (5898 2502): "The Guiding Role of Marxism Brooks No Shaking"]

[Text] Marxism-Leninism-Mao Zedong Thought is the theoretic foundation of our guiding ideology and the guide to our actions. The guiding role of Marxism-Leninism-Mao Zedong Thought was written down in the party Constitution and included in the Constitution and has struck root in the hearts of the people after propaganda, education, and practice. However, since a certain period of time, the so-called "elite" of the intelligentsia—Fang Lizhi, Zhang Xianyang, Jin Guantao, and others—have done their utmost to belittle Marxism and attempted to basically shake the guiding role and functions of Marxism in our country. This has caused ideological confusion in both theoretic circles and the masses at a certain degree. Therefore, to continue and persist in taking Marxism as guidance in the course of practice, it is necessary to further clarify various kinds of confusion on this issue.

First, Why Must Marxism Be Regarded as Guidance?

As a kind of ideology and a kind of theory, Marxism appeared in Europe in the 1840's. We must regard Marxism as our guiding ideology not because Marxism itself has been proclaimed our guiding ideology, not because this has been decided by the will of anybody, but because the revolutionary history of our country has made this choice and this is the summation of experience in revolutionary practice.

After Marxism appeared, China was at a historical stage of being gradually reduced to the status of a semi-colony and semi-feudal society. To change the backward outlook of our country, in modern history, many people with lofty ideals unremittingly looked for "prescriptions" to solve China's problems and put them into effect. The earliest one was the earthshaking Taiping Heavenly Kingdom Revolutionary Movement [1851-1864] led by Hong Xiuquan. Its guiding ideology was the peasants' absolute egalitarianism, and China's problems could, therefore, not be solved. Following it was the Reform Movement of 1898 led by Kang Youwei. Its guiding ideology was reformism, and its result was that they butted their heads against a wall of the movement. In the Revolution of 1911 led by Dr. Sun Yat-sen, although a great victory was won in overthrowing the Qing Dynasty and bringing the monarchy to an end, due to the fact that its guiding ideology was bourgeois democracy, the revolution still failed irretrievably. The

October Revolution in Russia gave Marxism-Leninism to our country. Under the guidance of Marxism-Leninism, our country has not only thoroughly accomplished the task of democratic revolution but also won a great victory in socialist construction. This part of history shows incontrovertibly that persistently regarding Marxism as guidance is the conclusion of the historical development of our country and is a historical fact that no one can change.

Unlike general sciences, and on the foundation of absorbing and summing up the outstanding achievements in the natural sciences and social sciences of mankind, Marxism sublimates into a theoretic system of the proletarian world outlook and naturally becomes the guiding ideology for the proletarian actions. The class nature and scientific nature of Marxism form an integral whole. The contents of Marxism include three aspects: Marxist philosophy, Marxist political economy, and scientific socialism. Historical materialism and the theory of surplus value occupy an extremely important position in the entire theoretic system of Marxism. These two great discoveries make socialism a science from a fantasy. Many theoreticians before Marx also discovered the drawbacks of capitalist society and took a critical attitude toward capitalist society but did not find the crux of the inner contradiction of capitalist society from beginning to end. Historical materialism and the theory of surplus value, founded by Marx, scientifically analyze this contradiction, bring to light the laws governing the development of human society, especially the law governing the development of capitalist society, and are a powerful ideological weapon for fulfilling the historical mission of the proletariat.

Sticking to Marxist guidance is also demanded by the nature of the social system of our country. As our country is a socialist country, its economic and political systems require the social ideology that suits them, to support and consolidate them, and to promote their development. As Marxism is a theory concerning the proletarian revolution and the dictatorship of the proletariat and a doctrine in respect to socialism and communism, it is a social ideology that suits the socialist system. Our country is at the initial stage of socialism, and the vestiges of the ideology of feudalism are deep in the people's minds; in today's reform and opening up, corruption by decadent bourgeois ideology is also very serious. This requires us to adhere to Marxist guidance and to use Marxism-Leninism-Mao Zedong Thought to triumph over all kinds of non-proletarian ideology so as to guarantee the smooth development of reform and opening up.

Second, How Is the Guiding Role of Marxism Understood?

In the past, there was a wrong tendency toward the guiding role of Marxism, that is, making a mystery of and vulgarizing its guiding role. It was thought that Marxism could directly solve all specific questions in real life and it was regarded as a "panacea" for all ills.

This incorrect tendency reached the limit in the "Great Cultural Revolution." The so-called "every sentence is the truth" and "study with specific problems in mind, study and apply in a lively way, get instant results" were the concentrated manifestations of this wrong tendency.

However, in recent years, there has been another tendency, namely, the "doctrine of uselessness" and the "doctrine of obsolescence" of Marxism. The preachers of bourgeois liberalization said: "Marxism cannot be relied upon to solve the current problems of China." Such a version not only prepared public opinion for a bourgeois republic to which they have looked forward, but also maliciously distorted the guiding role of Marxism. Although Marxism cannot directly solve the specific questions in realities, it helps us get the key to the specific questions.

Basically speaking, adhering to Marxist guidance is adhering to the Marxist stand, viewpoint, and method. That is, we must uphold the stand of the proletariat and the people to observe the questions, and apply the viewpoints and methods of dialectic materialism and historical materialism to analyze the questions. Engels pointed out: What the world outlook of Marxism as a whole provides "is not a ready dogma but a starting point for further study and a method for such study." That is to say that Marxism is not a dogma to help us directly solve the specific questions in realities but the theoretical foundation and method to help us solve those specific questions. For example, although the Marxist principle that the productive relations must suit the level of the productive forces, the principle that the superstructure should serve the economic foundation, the principle that the productive forces are the force to determine social development, and so on, cannot provide specific answers to the realistic questions; they are of guiding significance to the solution of the realistic questions. We cannot run counter to them. If we run counter to these basic principles, we run counter to the objective law of the development of things.

Sticking to Marxist guidance is also sticking to the socialist orientation. The preachers of bourgeois liberalization said: We are still not clear about what socialism is. We, therefore, had better not mention sticking to the socialist orientation. This is very wrong. There are two concepts here that need distinguishing: the basic principle of socialism and the specific patterns of socialism. Both of them have relations and distinctions. According to the Marxist theory, the basic principle of socialism is to adhere to public ownership and the principle of distribution according to work. As to the specific patterns of socialism, as Marxism and Engels were limited by practice at that time and did not work out any specific stipulations, we are still required to unremittently carry out exploration and to bring them to perfection through practice. In the past, we regarded certain specific patterns of socialism as a sacred and inviolable basic principle of socialism, and slight deviations would be regarded as pursuit of capitalism. This was actually a

"leftist" mistake that violates Marxism. Under the pretext of exploring the specific patterns, some people who go in for bourgeois liberalization are now noisily advocating private ownership, completely discarding the basic socialist principles, and thoroughly betraying Marxism.

To adhere to Marxist guidance, we are also required to enhance our conscientiousness for transforming the world, to reduce our blindness in action, and to avoid detours in the course of practice. Although those who do not know or believe in Marxism can solve some questions in the course of practice, they have acted very blindly. The Marxist ideological line is a powerful ideological weapon for understanding and transforming the world. The Marxist basic method, such as the method of seeking truth from facts and proceeding from realities in everything, the method of analyzing contradictions, and the method of the mass line, is of great guiding significance to the people's specific practice. The great victory in China's revolution and construction fully proved this long ago. In the future, to win a victory in socialist construction and all reforms, we must likewise adhere to the Marxist ideological line.

Third, How Can Marxist Guidance Be Adhered to Even Better?

Adhering to Marxism has been the consistent principle of our party. However, in the new historical period, especially in the situation of combatting bourgeois liberalization throughout the country, there are many new contents in adhering to Marxist guidance. If we do not study the new situation, new questions, and new characteristics, adhering to Marxism will become an empty slogan.

1. To adhere to Marxism, it is necessary to handle the relations between adherence and development well. Marxism has not been bogged down at all times. After Marxism emerged, Lenin was the earliest one who completely developed Marxism and founded Leninism. While Mao Zedong was leading the revolution in our country, he integrated the universal principles of Marxism-Leninism with the specific practice of China's revolution and formed Mao Zedong Thought, which also enriched and developed Marxism-Leninism. Since the 3D Plenary Session of the 11th CPC Central Committee, our party has put forward the basic task of building socialism with Chinese characteristics and historically put the development of Marxism in an especially important position. It is wrong to place emphasis only on adhering to Marxism but not on developing Marxism or to lay stress only on developing Marxism but not on adhering to Marxism. The preachers of bourgeois liberalization flaunted the banner of Marxism while negating Marxism. We hold that to adhere to Marxism, it is necessary to develop Marxism; to develop Marxism, it is essential to regard adhering to Marxism as the premise. Adhering to and developing Marxism are not two issues but two aspects of an issue and they are dialectical unity. In the issue of adhering to and developing Marxism, we must

draw a clear demarcation line from the ossified viewpoints and the viewpoint of bourgeois liberalization.

2. It is essential to adhere to Marxism in the environment of opening up. Marxism emerged in the practice of the revolutionary struggle of the proletariat and has developed along with the development of the practice of the revolutionary struggle of the proletariat. The theoretic system of Marxism is, in essence, not closed but opening up. In the past, our country implemented a closed-door policy for a long period of time and adhered to Marxism with the door closed. After the 3d Plenary Session of the 11th CPC Central Committee, we began implementing a policy of opening up, and the world's new science and technology put forward a challenge to Marxism. At the same time, all social trends of thought of the bourgeoisie also spread into our country and crossed swords with our previous traditional theory and concepts. Do these new sciences and new trends of thought negate the traditional theory of Marxism or provide new scientific basis for the development of Marxism? Under the conditions of reform and opening up, to adhere to Marxism, it is obviously essential to absorb the new achievements of the contemporary natural and social sciences and to theoretically make new summation. Regarding all social trends of thought, we must be good at absorbing the useful aspect and refute the drossy aspect. We must especially step up the study of the present situation in the capitalist world outlook and the study of the new situation, new things, and new problems in the present reform and development and give explanations theoretically. Only by reaching a conclusion on these realistic questions that conforms to Marxism can we really ensure that Marxism is adhered to in the course of practice.

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Science & Technology

April 1990 Satellite Launch Confirmed

HK0310153689 Beijing RENMIN RIBAO in Chinese
28 Sep p 2

[XINHUA report: "Plan for "Asia Satellite No 1" Remains Unchanged: Satellite To Be Launched in China Next Year As Scheduled"]

[Text] Hong Kong, 27 Sep (XINHUA)—The shipment and launching plan for "Asia Satellite No 1" remains unchanged. The satellite will be launched in China in April 1990 as scheduled. Luolishi [5012 4409 1102], the sales manager of the Asia Satellite Communications Company Limited, told reporters yesterday.

The launching plan was upset when U.S. Congress passed economic sanctions against China in June this year, among which was a ban preventing U.S.-made satellites from being shipped to China for the launch. Asia Satellite Communication Company's top executives were sent to the United States to negotiate a deal to prevent a delay to the satellite launch. The company now is able to confirm that the satellite launch plan will proceed as scheduled.

Satellite Communication Experiment Successful

HK0310140089 Beijing RENMIN RIBAO in Chinese
26 Sep 89 p 2

[XINHUA report by staff reporter Xu Zhimin (6079 1807 7676) and correspondent Hou Lijun (0230 0500 6511): "China Makes Breakthroughs in Satellite Communication Technology"]

[Text] Beijing, 25 Sep (XINHUA)—A demonstration experiment of the functions of China's first double-star, fast positioning communication satellite was successfully concluded in Beijing today. An application of satellite high technology, the successful demonstration represents a breakthrough in our country's efforts to independently exploit the potentials of satellite communications.

During the experiment, in a control room, this reporter could read from four screens the parameters, monitored through the satellite, of ground stations or depots in Beijing and in places as far as Xinjiang and Guangxi. The parameters were fed into computers and, within a second, precise geographical locations of these client stations were displayed.

This reporter learned that internationally this is the first time that a combination of high-speed positioning, transmission, and timing has been achieved and that ideal experimental data has been obtained through such combination.

Two communication satellites positioned over the equator, at respectively 87.5 degrees and 110.5 degrees east, made the experiment possible. Results showed that the designed program for the experimental satellite system is correct and reliable, has large capacity, high precision, and carries low costs; the precision of the program's time-synchronization reaches to more than 1/100 millionth second. Its fast positioning precision indicator is of advanced, international standards.

The experiment was based on the strength of our own research, design, and production. It is the first time in China that technological obstacles in areas such as fast signal entrapment and system software have been overcome.

Experts in the relevant fields told this reporter that fast positioning communications system using communication satellite has a wide application in many areas such as space, navigation, post and telecommunications, mines, transportation, fishery rescue and relief operations, and national defense.

At present some advanced countries are working on a fast positioning communication system covering the entire region of North America and Western Europe.

Spratlys Sea Observation Station Completed Early

HK0410082489 Beijing ZHONGGUO XINWEN SHE in Chinese 1116 GMT 29 Sep 89

[Report: "Construction of a Sea Observation Station On Yongshujiao of Nansha Islands Has Been Completed"—ZHONGGUO XINWEN SHE Headline]

[Text] Beijing, 29 Sep (ZHONGGUO XINWEN SHE)—According to a RENMIN HAIJUN BAO [PEOPLE'S NAVY JOURNAL] report, the last part of work on the first sea observation station built by China on the Nansha Islands—the Yongshujiao Sea Observation Station—has been completed ahead of schedule. After an inspection by relevant quarters upon completion, the quality of various relevant projects was found to meet the high-quality project standard.

The Yongshujiao Sea Observation Station on the Nansha Islands was built and put to use by the Chinese Government last August in accordance with the demands of the UN Educational, Scientific and Cultural

Organization. In the past year or so, the station has provided meteorological departments at home and abroad with more than 600,000 marine hydrological and meteorological data parameters. The last part of construction work completed this year included the protective southern dam, and several beacons and navigation marks for the benefit of vessel navigation. The whole project involved many items and very tough work. Quality requirements were exacting.

The engineering unit of the People's Navy committed to doing the last part of the project worked feverishly more than 12 hours a day, given the absence of green cabbage for food and sustained high temperatures. After 150 days and nights, members of this unit at last completed the assignment to meet high-speed and fine-quality requirements 60 days ahead of schedule.

Now, marine hydrological and meteorological workers from all parts of China have moved into newly built office buildings. They are provided with spacious and well-lit mess halls. The newly built beacons and navigation marks have begun providing navigation guidance for cargo ships and passing vessels seeking stock replenishment.

Military

Leaders Study Jiang's National Day Speech

OW0510062489 Beijing Domestic Service in Mandarin 1030 GMT 4 Oct 89

[From the "National Hookup" program]

[Text] The party committees of the various general departments, services, arms, and military regions of the People's Liberation Army have in the past few days organized meetings to study the important speech made by Jiang Zemin, general secretary of the CPC Central Committee, at the meeting celebrating the 40th anniversary of the founding of the PRC.

At a study and discussion meeting held by the PLA General Staff Department, Chi Haotian, secretary of the party committee, said: Comrade Jiang Zemin's report has extremely great significance in unifying the thinking of the whole party, the whole Army, and the people of all nationalities throughout the country and in consolidating and developing the fruits won in the struggle to end the turmoil and quell the counterrevolutionary rebellion. We will further bring into play our Army's fine tradition of being loyal to the party, the motherland, and the people and rally more closely around the party Central Committee with Comrade Jiang Zemin as the core.

On 30 September, the PLA General Political Department issued a circular on seriously studying Jiang Zemin's speech. At the same time, leading organs of the department stepped up the study themselves. Director Yang Baibing said: Comrade Jiang Zemin's speech is the crystallization of the collective wisdom of the party

Central Committee. It reflects the guidelines of Comrade Deng Xiaoping's instruction on seriously summing up the past and thinking about the future and provides answers to major issues of general concern at home and abroad. As the pillar of the people's democratic dictatorship, the People's Army, in particular, must study well this speech.

Cho Nam Qi and Liu Anyuan, principal responsible comrades of the party committee of the PLA General Logistics Department, as well as Ding Henggao and Xing Yongning, secretary and deputy secretary of the party committee of the State Commission of Science, Technology, and Industry for National Defense, also spoke separately at their respective study and discussion meetings. They said: General Secretary Jiang's speech has clarified, in theory and practice, the relationship between upholding the four cardinal principles and persisting in reform and opening policies. We must use the guidelines of the speech to unite our thinking and regulate our action to make new contributions to strengthening the modernization of China's national defense.

While studying the documents, party committees of the PLA Air Force, Navy, the II Artillery Corps, and the Beijing, Shenyang, Jinan, Lanzhou, Nanjing, Guangzhou, and Chengdu Military Regions have also taken practical steps to ensure study by leading cadres at and above the regimental level. They said: In his speech Comrade Jiang Zemin asked the whole party, the whole Army, and the people throughout the country to maintain high vigilance against the peaceful evolution policy of the international reactionary forces. The Army occupies a special position and plays a special role in this struggle. We must strengthen the study of Marxist-Leninist theory and consciously uphold the four cardinal principles to make new contributions to defending the Republic.

Beijing Reception Honors Model Soldiers

HK0510051289 Beijing RENMIN RIBAO in Chinese
30 Sep 89 p 4

[XINHUA report by Luo Yuwen (5012 3768 2429): "The Three General Departments of the People's Liberation Army (PLA) Hold Reception in Honor of Model Soldiers"]

[Text] Beijing, 29 Sep—This evening the three general departments of the PLA held a reception in honor of PLA heroes attending a national meeting of model workers and to welcome grass-roots representatives participating in National Day activities in Beijing.

In his speech Chief of Staff Chi Haotian expressed welcome and greetings to those PLA heroes and grass-roots representatives on behalf of the Central Military Commission, the General Staff Department, the General Political Department, and the General Logistics Department. He also extended congratulations to PLA officers, soldiers, nonmilitary cadres, staff members, and their

families on this festive occasion. Among those present at the reception were Central Military Commission leaders Hong Xuezhi, Liu Huaqing, Yang Baibing, and Zhao Nanqi as well as leading comrades from the PLA's three general departments, the Discipline Inspection Commission of the Central Military Commission, and the Central Military Commission's office.

Report Profiles Flamethrowing Force

HK0510064989 Beijing ZHONGGUO XINWEN SHE
in Chinese 0904 GMT 3 Oct 89

[Report by Jing Houyin (2529 0683 1377): "The Flamethrowing Force Has Become an Important Shock Force of the Chinese Army in Coordinated Combat"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 3 Oct (ZHONGGUO XINWEN SHE)—The flamethrowing force, usually known as "the god of fire," is an important component of the Chinese anti-chemical warfare corps. The force has now become an important shock force in coordinated action after 35 years of construction.

The flamethrowing force is a supportive force for the infantry, using mainly fire to kill, injure, or shock the enemy. It plays a unique and special role in destroying certain enemy targets when our firepower, including straight-line firing weapons, fails to achieve the intended results in removing obstacles to the infantry in the latter's efforts to score a victory.

China's flamethrowing force was founded in 1954. In January 1955, a unit from the force for the first time joined the campaign to liberate Jiangshan Island, burning or destroying about 70 enemy bunkers, caves, and obstacles, wiping out 66 important targets, killing more than 2,000 enemy soldiers, and helping the infantry to win a victory in amphibious warfare. Later, the flamethrowing unit joined many campaigns, including the suppression of the rebellion in Tibet, the counterattacks in self-defence along the Sino-Indian border, and the counterattacks in self-defence on the Sino-Vietnamese border after 1979, constituting an important shock force in removing the "snags," killing the "ground mice," annihilating the enemy's effective strength, putting up fire obstacles, and destroying the enemy's obstacles. Over the last 35 years, the flamethrowing force has taken part in hundreds of battles, large and small, removing more than 2,000 targets of all descriptions. Over 100 units and 700 cadres and soldiers have distinguished themselves in action, and some of them have been mentioned in dispatches by the Military Commission of the CPC Central Committee.

China's flamethrowing force soldiers have to bear a heavy load and risk their lives in action, opening fire at close range in most cases and fighting successive battles. They also have to receive intensive training in peacetime. Over the last 30 years, the flamethrowing force, in light of the aforementioned characteristics, has continuously perfected and updated its equipment; improved its

training methods; subjected itself to more difficult training programs; developed new tactics so as to be able to "act quickly, keep in step with the infantry, be sensitive in coordinated actions, and be accurate in flamethrowing"; and shortened distances in training and actual combat. At the same time, it has carried out a series of reforms with respect to distribution of combat missions, principles of action, organization of manpower and command, and technical guarantees to ensure that the flamethrowing force plays a greater role in action.

Research Center Carries Out Wind Tunnel Testing

OW0410154089 Beijing XINHUA in English
0907 GMT 4 Oct 89

[Text] Beijing, October 4 (XINHUA)—Simulated air battles in which simulated bullets tear through simulated aircraft are contributing to China's national defense and economic development.

The battles take place in wind tunnels at the China Aerodynamics Research and Development Center (CARD), which was established in 1976 in Sichuan Province, southwestern China.

Ni Yaqin, a senior engineer from CARD, said the center has conducted more than 230,000 wind-tunnel tests, providing much data for research work on planes, missiles, satellites, automobiles, high-rise buildings, and bridges.

Wind-tunnel testing is an important process in the design of flying objects and in other aerodynamic research, said Ni. It has great significance for China, as deep research into aerodynamics can fill gaps in knowledge about advanced materials and technologies, she noted.

Founded by the Chinese aerodynamic scientists Qian Xuesen and Guo Yonghuai, CARD now works under the guidance of the Commission of Science, Technology and Industry for National Defense.

In recent years, CARD has completed a cluster of wind tunnels of China's own design, and conducted the tests that have simulated battles between fighter planes.

Ni said these tests, in which simulated bullets tear and burn the aircraft, are the most advanced of their kind in the world.

In addition, she said, CARD has signed some agreements or memoranda for technological co-operations with foreign countries.

Economic & Agricultural

August Statistics Reflect Cooler Economy

OW2809224589 Beijing Domestic Service in Mandarin
1030 GMT 17 Sep 89

[From the "National Hookup" program]

[Text] China continued to achieve success in improving its economic environment and rectifying the economic order in the month of August, during which the temperature of the overheated economy continued to drop and the range of commodity price rises shrank noticeably.

According to statistics released by the State Statistics Bureau, China's total industrial output value grew by 6.1 percent in August over the same month last year. But when compared with that of July, it dropped 3.5 percentage points.

As industrial growth slowed down, the industrial product mix continued to improve. Social demands continued to be curtailed in August. Also during that month, 900 million yuan were recalled from circulation—the most unusual amount since the beginning of the 1970's; investment in fixed assets continued to decrease; the growth of consumptive expenditures continued to drop; and the price index for the cost of living in 35 large and mid-size cities increased 12.9 percent over the same month last year, but was still 4.2 percentage points lower than July—which is the biggest drop since last January.

The statistics also show that problems caused by irrational structures were still prominent in the national economic development in August. Thus, sales were reduced, retail sales of consumer goods in August were 0.7 percent lower than last August, the inventory of unsold products remained huge, and enterprises failed to achieve any noticeable improvement in their economic performance.

People within the economic circle maintain that a policy appropriately inclined toward [shi du qing xie zheng ce] enterprises producing or distributing energies, raw and semifinished materials, people's daily necessities, agricultural products, nonstaple foods, and export goods should be taken gradually and selectively; that the supply of circulating funds should be appropriately increased so that problems caused by triangular debts [san jiao zhai] can be resolved; and that production and sales should be promoted in order to prevent a slide in effective supply.

Closures, Mergers Ordered for State-Run Firms

OW2209053489 Beijing Domestic Service in Mandarin
2130 GMT 21 Sep 89

[From the "News and Press Review" program]

[Text] According to XINHUA reporter Chen Yun, the National Leading Group in Charge of Screening and Consolidating Companies has firmly urged departments under central and state organs to close 11 categories of companies. These companies are:

1. Companies which fail to meet the requirements specified in the Regulations and Their Implementation Rules for the Control of Legal Entities in Terms of Capital, Staff Personnel, Operating Sites, and Organizational Structure;

2. Insolvent companies which have been mismanaged and seriously deficit-ridden for a long time;
3. Disreputable companies which have seriously violated the law;
4. Redundant companies operated by the same department or same mother company, whose main businesses are identical or similar; or redundant branches set up in the same city by one company to handle identical or similar businesses;
5. Companies operated by institutions, mass organizations, and social groups, functioning administratively under various departments or their affiliated administrative organs, and operated with seven types of funds: administrative funds, operating funds, special funds, nonappropriated funds, bank loans, self-raised funds, or collectively-raised funds.
6. Companies and class three companies [san ji gong si] operated by—and affiliated to—subsidiaries under a class one company [yi ji gong si], directly affiliated to various departments, or operated by companies under the centralized management of specialized departments;
7. Class one and class two companies [yi er ji gong si] nominally operated by—but not operationally related to—various departments; and companies nominally related to enterprises operated by these departments;
8. Companies cosponsored by various departments and their affiliated corporations—companies which take advantage of their authority to speculate on important production materials, durable consumer goods in short supply, and state-controlled supplies and commodities; and which make profit by taking advantage of price differences;
9. Companies engaged in trading commodities in the name of handling technology transfers, developing new products, or providing consultative services—companies whose businesses have nothing to do with the businesses of their competent departments or units;
10. Companies financed privately or collectively, but operated in the name of organs, institutions, enterprises; and collective enterprises of the states; and
11. Companies which the State Council or local people's governments think should be closed or merged.

State Enterprises Report Profits

OW2309021089 Beijing XINHUA Domestic Service
in Chinese 1358 GMT 12 Sep 89

["Local Broadcast News Service"]

[Text] Beijing, 12 Sep (XINHUA)—What are the main sources of China's revenue income? According to the latest data provided by the State Statistical Bureau, the main sources are China's 10,000 large and medium-sized enterprises. From 1949 to 1988, they delivered to the

state nearly 1,500 billion yuan in taxes and profits, which accounted for more than 49 percent of the state revenues of the period, and is enough to provide each person in China with 1,360 yuan.

The construction of China's large and medium-sized industrial enterprises began with the building of 156 key projects during the first 5-Year Plan. The number of such enterprises rose to 10,676 by the end of 1988. These large-scale enterprises, backed by a large amount of funds and advanced production technology and equipment, can be found in various trades and are the main sources of state revenue income. In 1988, for example, China's large and medium-sized enterprises made a profit of 144 billion yuan, of which 110.5 billion were delivered to the state as taxes. The figures accounted for 62.5 and 68.7 percent of the profits and taxes made and delivered to the state respectively by industrial enterprises with independent business accounting.

Since the founding of New China, the Daqing Oilfield and the Anshan Iron and Steel Company have ranked first and second respectively in paying taxes and delivering profits to the state. Since its construction, the Daqing Oilfield has delivered 66.8 billion yuan in profits and taxes to the state, leading all other enterprises in China. Following closely on its heels is the Anshan Iron and Steel Company, which has delivered 39.1 billion yuan in profit and tax to the state.

According to statistics, in 1988 China's 50 largest industrial enterprises turned in profits accounting for 12 percent of the state's revenue income.

CITIC Chairman Discusses Future Plans

OW2209183989 Beijing XINHUA in English
1534 GMT 22 Sep 89

[Text] Beijing, September 22 (XINHUA)—Despite strains caused by economic austerity, CITIC, China's biggest conglomerate, is still going ahead with domestic and overseas business and plans to restructure its management and investment.

This remark was made at a press conference here today by Rong Yiren, chairman of China International Trust and Investment Corporation (CITIC).

According to Rong, CITIC has invested in three power plants, in Jiangsu, Henan and Inner Mongolia; since the second half of last year its priority is to readjust its investment in line with China's industrial policy and streamline management, possibly by merging some subsidiary companies.

He said that CITIC has already paid some of its debts and that temporary difficulties in raising money overseas will soon pass since CITIC maintains a good credit rating.

He expressed confidence in the future of Hong Kong, saying that CITIC has recently signed an agreement with

two foreign partners for a plastic products manufacturing project in the territory.

Rong said that all government officials, except members of non-communist parties, have resigned their posts in CITIC, and ruled out the possibility of bringing CITIC under the administration of a government ministry.

He made it clear that changes in the Chinese leadership do not affect CITIC's business since it is based on party and government policies as well as trust from foreign friends.

When asked about the five million yuan fine imposed on CITIC for foreign exchange dealings, Rong said that the corporation has already paid the money but will make an appeal based on its own interpretations.

Admitting a lower profit in the first half this year than in the same period of 1988, Rong said he believes CITIC's total profits for the whole year might possibly exceed those of last year.

Commenting on China's reform and open policy, Rong Yiren expressed his confidence, saying that foreign businesses will eventually get over their wait-and-see attitude and make a move in China since Sino-foreign economic cooperation is beneficial to both sides.

CITIC will host a symposium on Sino-foreign economic cooperation in Beijing early next month. It is expected that 120 senior executives and dignitaries from 12 countries and regions will participate.

Energy Ministry Develops Plan Through Year 2000

OW2409120689 Beijing XINHUA in English
1058 GMT 24 Sep 89

[Text] Beijing, September 24 (XINHUA)—The Chinese Ministry of Energy Resources has worked out an ambitious plan to provide enough energy to support the country's rapid economic growth through the year 2000.

According to the plan, titled "An Outline for the Development of China's Energy Industry, 1989-2000," China will produce 1.4 billion tons of standard coal and 1,200 billion kilowatt hours of electric power with an installed capacity of 0.24 billion kilowatts by the end of the century.

The plan's targets, representing the work of a team of energy experts for more than a year, also include reducing industrial and agricultural power consumption by 42 percent; providing electricity to China's 29 "oil-lamp" counties (those still dependent on kerosene for lighting); determining proven reserves of 100 billion tons of coal, 12.5 billion tons of crude oil, 1.5 trillion cubic meters of natural gas and at least 70,000 tons of recoverable uranium, and completing preliminary designs for large and medium-sized hydropower stations with an installed capacity of 60 million kilowatts by the year 2000.

The plan, completed in June and endorsed by major government leaders, maps out a strategic distribution for China's energy industry.

Coal: Priority will be given to Shanxi, Shaanxi and Inner Mongolia, where most of the country's major coal mines are located. Locally run mines will be required to produce 700 million tons of coal a year by the year 2000, the same as is required of the major mines. The construction and renovation of 100 to 150 locally run mines will be designated key projects.

Oil and Natural Gas: In addition to maintaining production levels in oil fields in eastern China, where most proven reserves and production facilities lie, attention must be paid to exploring western oil fields, particularly in Xinjiang. Natural gas should receive as much attention as oil with the focus of exploration on China's five basin areas, including Sichuan Province and Bohai Bay.

Hydropower: Priority will be given to large and medium-sized stations on the upper reaches of the Yellow River, upper and middle reaches of the Yangtze, Hongshui and Wujiang Rivers, and the middle and lower reaches of the Lancang River. A number of small stations will also be built in regions where coal and transport are in short supply.

Nuclear Power: The second and third phases of the expansion of the Qinshan Nuclear Station are expected to be completed by the end of the century. By then it will have become China's major nuclear power base. Developed coastal regions may also start their own small stations.

Coal-fired Power: Large coal-fired power stations will be built in coastal regions, and major coal-delivery railways will be constructed into Shanxi, Shaanxi and Inner Mongolia, the country's three major sources of coal.

The plan also contains guidelines for environmental protection, and energy conservation.

Auto Industry To Boost Limousine Production

OW2309194289 Beijing XINHUA in English
1331 GMT 23 Sep 89

[Text] Shanghai, September 23 (XINHUA)—China's automobile industry will give priority to limousine production during the Eighth Five-Year Plan period (1990-95).

The country is planning to turn out up to 700,000 cars each year by the year 2000, said Bo Xiyong, vice-chairman of the China National Automotive Industry Corporation.

So far, more than 3,000 enterprises are engaged in the production of automobiles and spare parts. They produce a total of 600,000 automobiles in six categories and 300 varieties.

The combined annual output of China's four limousine manufacturers—the Santana Plant in Shanghai, the Xia-Li Plant in Tianjin, the Cherokee Plant in Beijing and the Peugeot Plant in Guangzhou—is about 30,000, far below the domestic demand.

But China is facing many technical problems in producing high-quality limousines, such as in making shock absorbers and fan clutches.

To speed up limousine production, China will build several limousine spare parts production centers, import advanced technology and equipment from abroad, and seek technological co-operation with other countries, said Bo.

Income Tax Collection Reaches Target

OW2209223389 Beijing XINHUA Domestic Service
in Chinese 1319 GMT 21 Sep 89

["Local Broadcast News Service"]

[Text] Beijing, 21 Sep (XINHUA)—According to information released by the State Administration of Taxation, revenues from the collection of individual income regulatory taxes have continued to rise nationwide since the beginning of this year. As of the end of August, a total of 314.98 million yuan had been collected, a 3.88-fold increase over the same period last year and fulfilling, 4 months earlier, the target of 300 million yuan set at the beginning of this year.

Judging from the progress in various localities, Liaoning Province came out first with 36.25 million yuan already collected; Guangdong Province was second with 31.16 million yuan; and Hebei Province, third with 26.85 million yuan. Among those in the top ten were Jiangsu, Fujian, Shandong, Shanghai, Beijing, Zhejiang, and Heilongjiang.

Yellow River Valley Rich in Nonferrous Metals

OW2209192789 Beijing XINHUA in English
1449 GMT 22 Sep 89

[Text] Lanzhou, September 22 (XINHUA)—The upper reaches of the Yellow River in northwest China have become an important production base for nonferrous metals.

Many varieties of nonferrous metals such as lead, magnesium, copper, aluminum, zinc, silver and rare earths have been discovered in the area from the Longyang gorge in Qinghai Province to the Qingtong gorge in the Ningxia Hui Autonomous Region—a distance of nearly 1,000 km.

According to statistics from related government departments, by the end of 1988 the annual output of electrolytic aluminum in the area accounted for one fourth of the country's total, while the annual output of rare earths accounted for 70 percent of the country's total. The

output of copper, lead, zinc, magnesium and other nonferrous metals also makes up a fairly large part of the country's total.

At present, a number of large-scale nonferrous metal enterprises have been set up here, such as the Gansu Rare Earth Company, Lanzhou Aluminum Factory, Qinghai Aluminum Factory and Minhe Magnesium Factory.

The area is also rich in water resources. Five large hydroelectric power stations, including the Longyang gorge station, Liujia gorge station and Qingtong gorge station, have been built here, with a total generating capacity of more than three million kw. They provide the energy needed by the non-ferrous metals industry.

Local officials told XINHUA that the area will be further developed at the end of this century and early next century, with the stress still on the development of hydroelectric power and nonferrous metals.

2d Automotive Works Increases Production

OW2209184189 Beijing XINHUA in English
1547 GMT 22 Sep 89

[Text] Beijing, September 22 (XINHUA)—China's Second Automotive Works group has become one of the country's major automobile exporters with exports of trucks and spare parts to about 40 countries in the past decade.

From 1980 to July, 1989, the group earned over 63 million U.S. dollars from exports.

More than 30 kinds of spare parts and component parts for assembly, valued at over three million U.S. dollars, were shipped to the United States, the Federal Republic of Germany, Japan, Romania, and Hong Kong.

More than 700 Dongfeng trucks have been exported to such countries as the Sudan, Mali, the Philippines, Korea, Chile, Bangladesh, and Pakistan.

With the Second Automotive Works as its backbone, the group consists of 282 enterprises in 28 provinces and municipalities throughout the country and is equipped with 60,000 sets of machines. Its fixed assets amount to 5 billion yuan.

Located in China's central Hubei Province, the Second Automotive Works is the first enterprise in China to produce 100,000 trucks in a year. For ten years running, it has increased production by an annual rate of 10,000 trucks.

The works has turned out over 800,000 automobiles. This year it set a record by producing 10,000 trucks a month, becoming one of the major truck producers in the world.

The Second Automotive Works has established trade and business ties with over 40 countries and regions throughout the world and has also established markets for selling Dongfeng trucks.

"We'll build the works into one with a capacity of producing 300,000 cars a year by the end of the century," said Chen Qingtai, director of the Second Automotive Works.

He said the works will expand the series of trucks and increase the types of automobiles so that the group will be capable of producing 600,000 to 700,000 automobiles a year.

When 10 to 19 percent of its products are slated for export, the works will be a world-class competitor, the director said.

Exhibition Honoring Enterprises Opens

HK2209043489 Beijing CHINA DAILY in English
22 Sep 89 p 1

[By staff reporter Zhou Hongqi]

[Text] A show reflecting the achievements of China's large enterprises since the founding of the People's Republic in 1949 opened yesterday in the Beijing Exhibition Centre.

The show—40 years of China's Industry—is sponsored by a Chinese magazine, ADMINISTRATIVE WORLD, which is published by the State Council's Economic, Technological and Social Development Research Centre.

After the Exhibition, which runs from September 21 to 27, the China Enterprise Evaluation Centre under the magazine will announce the country's outstanding enterprises of 1988.

The displays demonstrate the technology and organization achieved to date by these large enterprises and indicate what administrative and technological advances can be expected in the future.

Discussions during the exhibition will consider the role of large enterprises in the national economy.

Management systems and the future trends of large enterprises will be discussed.

Two-hundred and forty large enterprises, including the Daqing Petroleum Administration and the Capital Iron and Steel Corporation, are taking part in the show.

These leading enterprises represent current industrial conditions in China.

The show will provide opportunities to analyse experiences and for defining the gap between industry here and industry in advanced countries, said Ma Hong, director of the State Council's development research centre.

According to the State Statistical Bureau, large and medium-sized enterprises have produced early 1,500 billion yuan (\$405 billion) in taxes and profits to the State in the past 40 years, accounting for almost half of the country's revenues during that time.

The number of large and medium-sized enterprises has exceeded 10,000. Among them, taxes and profits of 50 such enterprises surpassed 350 million yuan (\$94.6 million) in 1988.

Rural Enterprises Urged To Develop Exports

HK2509072089 Beijing CHINA DAILY in English
25 Sep 89 p 1

[By staff reporter Wu Yunhe]

[Text] Agriculture Minister He Kang has called on the country's rural township enterprises to expand export-oriented production.

He said township industries have achieved two years ahead of schedule the 1990 export target of \$8 billion with last year's exports reaching \$8.02 billion.

He said this at the opening ceremony of a show of achievements of China's township enterprises being held at the Beijing International Exhibition Centre. The show opened last Saturday.

He said he hoped the Second National Township Enterprises Export Commodities Exhibition would attract more foreign businessmen to township enterprises and thus ensure more foreign trade.

The Minister attributed the success of township enterprises to the correct party policy, government support and a flexible management of rural industries.

At present, township enterprises employ 95.4 million people in the countryside, making up 23.8 percent of the country's labour force.

The output value, last year hit 452.9 billion yuan (\$122 billion) in the first eight months of this year the export earnings of township enterprises showed an increase of 40 percent over the corresponding period last year.

According to statistics covering 20 major provinces and municipalities, during the first half of this year township enterprises exported goods worth 14.3 billion yuan (\$3.8 billion), 40.5 percent more than last year.

The Minister said that with 1.59 million township enterprises in China, they have become an important force in the national economy.

Rural firms in Jiangsu Province ranked first in the export table among the coastal areas. Last year they exported 5.4 billion yuan (\$1.46 billion) worth of goods and its output value reached 107.8 billion yuan. During the 11-day show, firms will display a range of export-oriented products, including clothing, electrical appliances and handicrafts.

Zhou Handa, an official in charge of this exhibition, said that from Shandong Province alone, a total of 500 million yuan worth of exhibits have been put on display.

Exhibition of Rural Enterprises' Products Opens

OW2309215289 Beijing XINHUA in English
1302 GMT 23 Sep 89

[Text] Beijing, September 23 (XINHUA)—An exhibition of export commodities of rural enterprises opened in the International Exhibition Center here today.

The exhibition, jointly organized by the Ministry of Agriculture and the Ministry of Foreign Economic Relations and Trade (MOFERT), has 8,000 products from 30 provinces, municipalities and autonomous regions nationwide on display. These include garments, handicrafts, light industrial products and chemicals as well as food, machinery and some special local products.

Zhang Yi, a spokesman for the exhibition, claimed that the 12-day exhibition is characterized by rich variety, high quality and marked local flavor. Some of the high quality products are on sale during the exhibition, he said.

Over the past three years, the Chinese Government has helped rural enterprises in the construction of export commodity production bases combining trade with manufacturing and farming. About 410 of these enterprises have been built.

He said, rural enterprises have become one of the most important contributors to China's exports. In the five years from 1984 to 1988, these enterprises earned twenty-five billion U.S. dollars. About eight billion U.S. dollars was earned in 1988, up 60 percent over the previous year.

More Housing, Facilities Built in Rural Areas

OW2209044989 Beijing XINHUA in English
0252 GMT 22 Sep 89

[Text] Beijing, September 22 (XINHUA)—China's rural areas built 6.2 billion square meters of houses between 1979 and 1988, doubling the total for the previous 30 years, according to "GUANGMING DAILY" today.

In the past decade, 86 million rural families have moved into new houses. The average per capita living space in the rural areas was expanded to 19.4 square meters last year from 10 square meters in 1978.

The paper said in 1988 alone Chinese peasants spent 61.14 billion yuan to improve living conditions.

Among the completed rural houses, 80 percent are brick, wood and concrete structures. In economically developed areas, some peasants have erected villa-style apartment buildings.

In addition, 672 million square meters of rural public facilities were constructed in the past decade.

By the end of 1988, China's rural roads had extended to 3.2 million kilometers, 165 million peasants had got

running water supply, and electricity was supplied to 43,500 towns and 2.4 million villages.

Agriculture Official Estimates Enterprise Failures

OW0310145089 Tokyo KYODO in English
1437 GMT 3 Oct 89

[Text] Beijing, Oct. 3 KYODO—A senior official of the Ministry of Agriculture on Tuesday told KYODO NEWS SERVICE that about 2.85 million or 15 percent of some 19 million enterprises set up in rural areas are expected to go bankrupt or cease operation by the end of this year.

Zhang Yi, deputy director of the rural enterprise bureau, said senior leader Deng Xiaoping's order to liquidate questionable enterprises and a credit squeeze since last year were primarily responsible.

He said, however, that foreign currency earnings of rural enterprises soared from 5 billion dollars in 1987 to around 8 billion dollars in 1988, achieving the 1990 target of 8 billion dollars two years earlier than planned.

The 1990 total will reach the 10 billion-dollar level, he added.

Zhang said about 1.43 million workers will lose jobs out of a total work force of about 95.5 million in the employ of rural enterprises due to the failure of such enterprises.

Zhang, however, denied this would worsen the unemployment problem, pointing out that such workers could return to farming.

He also said the total number of rural enterprises will not decline because new ones will be set up in their wake.

Zhang said 80 percent of China's labor force of about 540 million was formerly engaged in agriculture. But this ratio will decline to 60 percent by the year 2000 as the work force of rural industries will increase from 170 million to 200 million, he added.

When Zhao Ziyang was general secretary of the Communist Party, rural enterprises were actively promoted as earners of foreign currency.

Deng recently ordered the liquidation of rural enterprises which are wasting electricity and raw materials, polluting the environment or faring badly.

Zhang explained the purpose of the order was to support and protect good enterprises.

He admitted, however, that this order, coupled with the credit squeeze, will increase the proportion of enterprises going bankrupt or ceasing operation to 15 percent this year from about 10 percent in the past years.

Yellow River Harnessed After 40 Years of Effort*OW2309215689 Beijing XINHUA in English
0923 GMT 23 Sep 89*

[Text] Zhenzhou, September 23 (XINHUA)—The Yellow River is no longer "China's sorrow".

China's second-longest river after the Yangtze used to burst its banks regularly, inundating nearby areas and killing millions of people. But the Yellow River has been harnessed after 40 years of effort following the founding of the People's Republic of China in 1949.

Originating in the north Bayan Har Mountains of Qinghai Province, the 5,464 km river flows through Qinghai, Sichuan, Gansu, Ningxia, Inner Mongolia, Shaanxi, Shanxi, Henan and Shandong, and empties into Bohai Bay at Jianli County in Shandong Province.

Known as the muddiest river in the world, the Yellow River carries 1.6 billion tons of sediment each year downstream.

In Old China, the river often flooded. Moreover, violent changes in its course occurred on 26 occasions, causing untold misery to the Chinese people.

According to historical records, the lower reaches of the Yellow River have been breached 1,590 times over the past 2,000 years, resulting in disastrous floods.

Soon after New China was founded in 1949, the central government worked out plans for bringing the Yellow River under permanent control and building an irrigation system in the river valley.

According to Gong Shiyang, an expert on the Water Conservation Committee under the Ministry of Water Resources, the state has spent about 10 billion yuan (about 2.7 billion U.S. dollars) on constructing key water conservation projects [words indistinct] a combination of traditional ways and scientific methods along its upper and middle reaches. It has also mobilized millions of people to reinforce the dykes along its lower reaches, thus effectively ensuring the safety of the people who live along the river.

While building dykes and continuously consolidating them, the state has built reservoirs and water-retarding and silt-diverting projects along the river.

Born and raised in Huayuankou township near Zhengzhou, capital of Henan Province, Shi Xiaoshan will never forget how a flood inundated his village, killing more than 400 of his neighbors in 1938. He was then six years old and was rescued by his uncle.

"I then made up my mind to devote my life to harnessing the Yellow River," he explained.

According to a record, that flood inundated 44 counties in Henan, Anhui and Jiangsu Provinces killing a total of more than 890,000 people and causing 12.5 million to flee from their homes.

Now every township has dyke maintenance teams and many people voluntarily serve as "scouts" to monitor the conditions of the Yellow River and its dykes.

In addition, tree belts have been planted for 3,000 km along the Yellow River from the loess plateau in the west to the shores of the Bohai Sea in the east since 1984 to hold soil from sliding into the river.

Grass and shrubs have been planted on about 100,000 sq km, or 23 percent of soil-eroded areas on the loess plateau, thus holding more than 200 million tons of silt from being washed into the Yellow River.

While harnessing the Yellow River, people in the river valley have made full use of the water resources by building eight large hydroelectric-power projects and more than 2,000 medium-sized and small power stations to generate electricity and irrigate fields.

Thanks to the installation of a number of high-lift pumping stations, the Ningxia Hui and Inner Mongolia Autonomous Regions and Gansu and Shaanxi Provinces on the upper reaches of the Yellow River have expanded their irrigated areas to 3.3 million ha.

Henan and Shandong Provinces on the lower reaches of the river have successfully diverted Yellow River water to irrigate farmland.

The river also supplies the vast amounts of water needed by the Shengli oilfield in east Shandong Province.

Central Ministries, Commissions Aid Poor Areas*OW2309143989 Beijing XINHUA in English
0832 GMT 23 Sep 89*

[Text] Beijing, September 23 (XINHUA)—China's central ministries and commissions have in recent years provided various types of assistance to poverty-stricken areas, especially areas inhabited by ethnic minority nationalities.

A national meeting on the help-the-poor work in minority areas was told that the Ministry of Agriculture has helped 200 of China's poorest counties, mainly minority-inhabited areas, develop their economies in order to feed and clothe themselves.

Plastic sheeting technology for maize growing has been promoted in the minority areas and bumper harvests are expected.

The ministry has also offered preferential treatment to poor minority areas in the supply of funds and materials. In the past four years, the ministry has provided the Wuling mountainous area in Hunan Province with 22,000 tons of chemical fertilizers, 3,000 tons of rolled steel, 1,000 cu m of timber and 20,000 tons of cement.

In the 1986-89 period the Ministry of Geology and Mineral Resources spent 480 million yuan on 2,015 mineral prospecting projects for poverty-stricken areas.

Since 1987 the ministry has spent 33.9 million yuan on 154 projects for 141 minority-inhabited counties.

Since 1981 the Agricultural Bank of China has provided low-interest loans to enterprises engaged in production of goods used by ethnic minority nationalities.

Jiang Zemin, He Kang Discuss Agriculture

OW0410014489

[Editorial report] Beijing Domestic Service in Mandarin at 0400 GMT on 3 October, in its "Half an Hour at Noon" program, broadcasts a 25-minute first report in a series of 8 reports on agriculture by the reporters of the station. According to the announcer, the rest of the reports will be broadcast successively in the same program on ensuing days.

According to the announcer, General Secretary Jiang Zemin inspected Hubei, Shanghai, and Shaanxi in July, August, and September respectively, visited rural areas and discussed agriculture during all those inspections. During an interview with the reporter of the station on the eve of National Day, he specifically discussed agricultural questions and said: [Begin recording] "The question of how to feed the 1.1 billion people is the most important one. Food is the primary need of the people. In addition, they also need clothing. We must rely on agriculture to produce grain, cotton, and some other industrial raw materials. As a Chinese saying goes, every bowl of rice and every piece of cloth is the result of toil. In the 40 years since the founding of New China, particularly since the 3d Plenary Session of the 11th CPC Central Committee, our agriculture has undergone a historic change, and tremendous achievements have been scored in agriculture, thanks to the arduous efforts made by the vast number of peasants. Generally speaking, however, the foundation of our agriculture is still quite fragile. In our country, the per-capita area of cultivated land is only a little over 1 mu; while it is 15 mu in the United States and 30 mu in Canada. Both our per-mu yield and our labor productivity are low, and we still have various difficulties. This is the basic condition of our country. We should carry out education in the national condition and make the people throughout the country know the situation. We should uphold the guiding principle of taking agriculture as the foundation, develop and popularize science and technology, increase investment in agriculture, and make the fullest use of available cultivated land. A key to success is that the whole party and all trades and professions in China must attach importance to agriculture, pay attention to developing an agriculture-orientated industry to support agriculture, and make concerted efforts to develop our agriculture." [end recording]

The middle part of the first report deals with the reporters' visit to the Museum of Chinese Agriculture and their discussion with several cadres at the museum on the history of Chinese agriculture and its importance.

The last part of the first report contains a recorded station interview with Minister of Agriculture He Kang on the situation of agriculture in New China.

During the interview, He Kang said: [begin recording] "Since the birth of New China, our party and our People's Government have always attached importance to agriculture and taken it as the foundation of the national economy. Comrade Mao Zedong repeatedly pointed out that the whole party must attach importance to agriculture. In the last 40 years, we have made tremendous strides in agricultural production and fundamentally improved the situation in the rural areas. We may say with pride today that China has basically solved the problem of feeding and clothing its 1.1 billion people. While the area of our cultivated land accounts for only 7 percent of the world's total, we are feeding 22 percent of the world's total population. We may say that this is a great achievement. Our total grain output was 400 million metric tons in 1988, an increase of nearly 300 million metric tons over 1949. Our total cotton output was 4.15 million metric tons in 1988, nearly 10 times that of 1949. The output of oil-bearing and sugar crops and other cash crops has doubled and redoubled. The output of meat has increased almost tenfold. At present, our grain, cotton, and meat output rank first in the world. In particular, the 3d Plenary Session of the 11th CPC Central Committee summed up our historical experience and lessons, and decided that our reform should begin first in rural areas. A series of reforms in rural areas has brought about great agricultural development. In 1984, our grain and cotton output hit an all-time high. The reforms have also promoted all-round rural economic development. Our traditional agriculture is in the process of transformation into modern agriculture. As everyone sees, the living standards of our peasants have greatly improved in recent years. Take the rural per-capita income for instance. It was 133 yuan in 1978 and 541 yuan in 1988." [end recording]

When asked whether China's agriculture has had fluctuations in the course of development, He Kang said: [Begin recording] "Yes. Our agriculture has kept a general trend of development in the last 40 years. In the meantime, however, it has had twists and turns, and even slip ups. The development has been wavy." [end recording]

On the difficulties in agriculture, He Kang said: [Begin recording] "Yes, there are indeed difficulties and problems. After we achieved more than self-sufficiency in grain, cotton, and other agricultural products in 1984, people were very optimistic about the situation. Since then, we have made more investment in industry, particularly the processing industry, and in building office buildings, auditoriums, and guesthouses, than in agricultural development. Moreover, the prices of the means of agricultural production have risen, causing relatively low profit from cultivation of crops. As a result, our agricultural production, mainly grain and cotton, has fluctuated for nearly four years, and the once eased supply of agricultural and sideline products has become strained

again. Generally speaking, the level of our agricultural production is still quite low, compared with that of developed countries. Particularly in our old revolutionary base areas, minority nationalities regions, border, and poor regions, the people's basic needs in food and clothing have not yet been met." [end recording]

When the reporter asked him to discuss China's agricultural development in the years to come, He Kang said: [Begin recording] "All right. The leading comrades of our party Central Committee and State Council have discussed this at great length. Recalling our agricultural development in the last 40 years, we find that we had both the experience of success and the lessons of failure. In the final analysis, we should uphold the guiding principle of taking agriculture as the foundation, consider China's realities, respect objective laws, and establish a socialist rural economic structure conforming to the level of our productive forces and meeting the peasants' aspirations. We should correctly handle the relationship between workers' and peasants' interests, and between urban and rural interests. At the same time, we should uphold the principle of never relaxing our efforts to increase grain production and to develop a diversified rural economy. We should pay attention to popularizing and using science and technology in agricultural development. In addition, we should increase investment in agriculture to constantly improve the conditions of agricultural production. Comrade Xiaoping has repeatedly emphasized agricultural production. Recently he has stressed the need to develop agriculture, and particularly stressed the use of science and technology in agriculture. We are convinced that our agricultural development is full of promise if we strengthen the leadership and the people throughout the country show concern for agriculture and display a spirit of self-reliance and hard struggle. We are determined to perform our duties conscientiously and strive to do our work well. Thank you." [end recording]

The report has several musical interludes.

Agriculture Ministry Reports Improved Exports

*HK2309015489 Beijing CHINA DAILY in English
23 Sep 89 p 2*

[By our staff reporter]

[Text] Exports of agricultural products are expected to earn state farms 2.6 billion yuan (about \$699 million) this year.

The figure is 15.7 percent higher than last year, the Agriculture Ministry says.

State-owned farms were established on waste lands in remote areas 40 years ago when the People's Liberation Army carried out a large-scale land reclamation programme.

Now China has more than 2,000 such farms with 4.3 million hectares under cultivation and employing five million people.

The exports covered more than 200 categories of farm produce, with the biggest earners soybeans, live pigs, tea and cotton.

Wang Jiyong, general manager of the China Import and Export Corporation of State Farms, said in an interview that the state-owned farms play a major role in China's developing export markets for farm products.

The farms in Heilongjiang and Jilin provinces in the Northeast, Shanghai, and Xinjiang Uygur Autonomous Region in the far west are important producers of soybean, cotton, ginseng and pilose antler, which sell well on the international market.

Soybean and cotton dominate the exports, making up 75 percent of the total exports of the state-owned farms. Soybean exports alone accounted for 27.5 percent of China's total agricultural exports last year.

Wang declined to reveal export targets for the two major products, although he said the corporation plans to export at least two tons of pilose antler this year.

Spring Wheat Varieties Developed for Northwest

*OW2409014089 Beijing Domestic Service in Mandarin
0930 GMT 15 Sep 89*

[From the "National Hookup" program]

[Text] For many years, the Northwest Plateau Biology Research Institute under the Chinese Academy of Sciences has persisted in cultivating new strains of spring wheat for northwest China, which are being popularized or trial-planted in some 3 million mu of farmland in 8 provinces and autonomous regions throughout China. This has helped some localities shake off poverty.

Northwest China is a vast land. The natural conditions in many localities are poor and are unfavorable to agricultural production. Over the years, this research institute has cultivated Gaoyuan-338, Gaoyuan-506, Gaoyuan-602, and nine other new strains of spring wheat for the northwestern regions. These new strains have good adaptability and high output yield.

This year Gansu and Qinghai have planted Gaoyuan-602 on 300,000 mu of land, and raised wheat output by more than 34 percent. It is estimated that the economic results gained from planting new strains of spring wheat in the northwest have exceeded the total state investments in the past 20 years or more.

Trace Elements Improve Southern Farmland

OW2209141589 Beijing XINHUA in English
1316 GMT 22 Sep 89

[Text] Changsha, September 22 (XINHUA)—Replenishing trace elements in soil is one way to successfully improve low-yield farmlands in south China.

The Chinese Academy of Sciences (CAS) made experiments on 33,000 ha of fields last spring. The scientists applied 7.5 kg of zinc fertilizer to each ha, thereby increasing the grain output by as much as 450 kg.

Associate research fellow Gi Damo, who is in charge of the project, told XINHUA that scientists are now

making experiments with enriching land with zinc, boron and copper to grow more cotton, rape, soybean, sugarcane and other crops.

The area south of the Yangtze River is China's main grain production base. But 70 percent of the lands there are low-yielding. The reason is said to be depletion of necessary elements in the soil because of excessive use of chemical fertilizers in recent years.

The high level of groundwater in the south of China also affects the quality of the soil and crop harvests. CAS experts have improved farmland by using nitrogen, phosphate, potash as well as trace-element fertilizers.

East Region

Fujian Leaders Attend National Day Celebration

Fuzhou Rally Held 30 Sep

OW0310121889 Fuzhou Fujian Provincial Service
in Mandarin 1100 GMT 30 Sep 89

[Excerpts] This morning, the Fujian Province and Fuzhou City jointly held a rally at the Xihu Guesthouse in Fuzhou City to celebrate the 40th anniversary of the founding of the PRC.

Chen Guangyi, Wang Zhaoguo, Jia Qinglin, Hu Hong, Cheng Xu, Zhang Kehui, Yuan Qitong, He Shaochuan, Zhang Zongde, Lin Kaiqing, and other party, government, and Army leading cadres of the province and city; retired veteran comrades of the province and Army; deputies to the National People's Congress and members of the Chinese People's Political Consultative Conference [CPPCC] National Committee in Fuzhou; responsible members of various democratic parties and non-party patriotic persons; representatives of various mass organizations, minority nationalities, scientific, technological, literary and art, sports and religious circles, and various enterprises; model workers; outstanding representatives of the Army, public security, and units of the Armed Police Force; and representatives of dependents of soldiers and martyrs, totaling more than 900 people, took part in the rally.

The celebration rally was presided over by Governor Wang Zhaoguo.

Chen Guangyi, secretary of the Fujian provincial party committee, spoke at the meeting. On behalf of the provincial party committee, the provincial Advisory Commission, the Standing Committee of the provincial People's Congress, the provincial people's government, the provincial CPPCC Committee, the provincial Discipline Inspection Commission, and the provincial Military District, he extended warm, festive greetings to workers, peasants, intellectuals, cadres, and retired veteran comrades on various fronts; the People's Liberation Army units, units of the Armed Police Force, and people's policemen in the province; compatriots of Taiwan, Hong Kong, and Macao; Overseas Chinese; and foreign experts and friends working in Fujian. [passage omitted]

In his speech, Comrade Chen Guangyi said: Although we have made great progress in the past 40 years, there are still many difficulties and problems in current economic and social life. We have no reason to be blindly optimistic. At present, we must penetratingly study and implement the guidelines of the 4th Plenary Session of the 13th CPC Central Committee; adhere to the correct political orientation; firmly implement the policy of improving the economic environment, rectifying the economic order and deepening reform; further promote a sustained, stable, and coordinated economic development; hold higher the banner of opening to the outside

world; further improve and accelerate the implementation of the open policy in a proper manner; attach importance to ideological education; greatly develop and allow socialist scientific, technological, educational and cultural work to prosper; vigorously strengthen the building of socialist spiritual civilization; foster healthy and civilized social customs; effectively strengthen the building of socialist democracy and the legal system; further consolidate and develop the political situation of stability and unity; concentrate our efforts to promote party building; and truly build our party into a strong core in leading the work of reform and in opening to the outside and promoting socialist modernization.

Chen Guangyi expressed his confidence that as long as soldiers and people throughout the province unite as one, follow the basic line formulated by the 13th CPC National Congress, struggle hard, carry forward the revolutionary cause, and forge ahead into the future, the great strategic goal of socialist modernization can certainly be realized; and a socialist new Fujian with economic prosperity, social stability, and relatively good standard of living can certainly be established in the southeast coastal region of the great motherland.

Garden Party Held 1 Oct

OW0310061889 Fuzhou Fujian Provincial Service
in Mandarin 1100 GMT 1 Oct 89

[Excerpt] Xihu Park in Fuzhou City was colorfully decorated and sizzled with festive music today. Altogether 30,000 people or more, including provincial party, government, and military leaders and people from all circles, gathered here for a grand garden party in celebration of the nation's 40th founding anniversary.

At 0830 this morning, a folk arts group composed of over 500 professional or amateur performers began an excellent show, thereby lifting the curtain on the garden party. Provincial and city leaders Chen Guangyi, Wang Zhaoguo, Jia Qinglin, Hu Hong, Cheng Xu, Yuan Qitong, and Gong Wushi; old comrades, such as Wu Hongqiang and Jia Jiuming; leading comrades of troops stationed in Fujian, including Yuan Kaiguo, Zhang Liqing, Niu Yushan, Ning Xingwei, and Zhang Hu Zhi; model and advanced workers from around the province; and people from all circles watched with great interest the performances, all with rich local flavor. [passage omitted]

Jiangsu Leader Addresses National Day Ceremony

OW0310141189 Nanjing Jiangsu Provincial Service
in Mandarin 1015 GMT 29 Sep 89

[Text] Authorities of Jiangsu Province and Nanjing City jointly held a grand ceremony at Nanjing's (Wutaishan) Stadium this afternoon to mark the PRC's 40th founding anniversary and the opening of the eastern China segment of the Second Chinese Art Festival.

Attending the ceremony were Central Advisory Committee members Jiang Weiqing, Nie Fengzhi, and Du Ping; and such leading comrades of Jiangsu Province

and Nanjing City as Han Peixin, Chen Huanyou, Hang Hongzhi, Sun Jiazheng, Liu Lin, Sun Han, Hu Fuming, Fu Hao, Hao Keming, Zhang Yaohua, and (Dai Fenzhi). Also present were leading comrades of the Nanjing Military District, including Xiang Shouzhi, Fu Kuiqing, Jiang Yutian, Shi Yuxiao, Liu Lunxian, Yu Yongbo, and (Wang Tainan); Ding Guangxun, vice chairman of the National Chinese People's Political Consultative Conference Committee; and (Chen Dinghan), vice governor of Jiangxi Province, who made a special trip to Nanjing to attend the festival.

More than 7,000 people participated in the ceremony. They included workers, peasants, intellectuals, and patriotic people from all fronts in Jiangsu Province and Nanjing City; officers and men of the PLA troops and the Armed Police Force of the Jiangsu Military District; and cultural workers from provinces and cities in eastern China.

Han Peixin, secretary of the Jiangsu provincial party committee and chairman of the provincial National People's Congress Standing Committee, spoke at the ceremony. He stated: Today's ceremony is to celebrate the PRC's 40th founding anniversary and to open the eastern China segment of the Second Chinese Art Festival. The festival demonstrates the artistic achievements of eastern China and adds to our festive mood. We salute the cultural workers in eastern China and in Nanjing City, and we wish the festival success.

Han continued: Forty years seems like an instant. We have undergone drastic transformations. Under the CPC's leadership, the people in Jiangsu Province have scored remarkable achievements in the political, economic, cultural, and social fields through hard and innovative work.

After outlining Jiangsu's accomplishments in economic development, scientific research, education, culture, and public health, Comrade Han Peixin pointed out: Only socialism can save and develop China. Only by upholding the policy of reform and opening up can socialism be constantly improved and perfected. Only then can the inherent vigor of socialism be brought into play and the merits of socialism be fully developed. Only by unswervingly relying on the masses and adhering to the policy of self-reliance and hard work can we constantly overcome obstacles in our way and continuously develop and improve our economy. Only by deferring to the CPC's leadership can we realize the national goal of revitalizing China and carrying out the four modernizations.

Comrade Han Peixin went on: At a time when we joyously celebrate the 40th founding anniversary of our country, we must [words indistinct] map out future plans. From now until the end of this century, this will be a crucial period for the realization of the strategic goals advanced at the 13th National Party Congress. We must build our province into an economically advanced, culturally vigorous, scientifically developed, and well-to-do province.

Comrade Han Peixin urged the people in Jiangsu to become united, work hard, practice economy under the CPC's leadership, and forge ahead along the socialist road to score greater achievements in socialist modernization.

Cultural workers from eastern China's six provinces and one municipality and from the Nanjing Military District staged a colorful musical and dance performance. The performance consisted of four parts: singing the praises of the motherland, expressing deep love for the hometown, welcoming the open door, and marching into the future. The show exuded a festive mood appropriate for the country's 40th founding anniversary and for the character of southeastern China. The cultural workers won enthusiastic applause from the spectators for the brilliant performance.

Shandong's Jiang Chunyun Attends Report Meeting

SK3009000389 Jinan Shandong Provincial Service
in Mandarin 2330 GMT 28 Sep 89

[Text] The Shandong Provincial CPC Committee ceremoniously held a theoretical report meeting to study the guidelines of the fourth plenary session of the party Central Committee at Jinan's Zhenzhuquan auditorium on the afternoon of 28 September. Jiang Chunyun, secretary of the provincial party committee, gave the first report entitled "Why Must China Take the Socialist Road." Jiang Chunyun said in his report: Why has China taken the socialist road instead of the capitalist road? Persons advocating bourgeois liberalization said that development of socialism in China violated the law governing the development of history, was a product of subjective illusion, and that it is necessary to go back to developing capitalism again. Facts go exactly contrary to this view. China's taking the socialist road has never been decided by the good desire or subjective will of certain persons; rather, it has been the inevitable outcome of history and the choice of the people. It has been totally decided by the law governing the development of society, and the historical conditions of our country. We may summarize the historical inevitable outcome of China not taking the capitalist road into three sentences—China did not want to take the feudalist road, imperialist powers did not want China to take the capitalist road, and that the Kuomintang government did not have the strength to take the capitalist road.

After expounding the three sentences in detail, he said: It was precisely under such historical conditions that China had no choice but to take the socialist road. As a matter of fact, it was exactly socialism that saved China. Under the CPC leadership and after 28 years of extremely difficult struggles, we drove away the imperialists, defeated the Chiang Dynasty, won a victory in the revolution of new democracy, realized the independence of the nation and the reunification of the country, changed once and for all China's semi-colonial and semi-feudal social status, established the PRC, and then

took the socialist road, thus enabling the people to become the real masters in terms of politics and economy.

Jiang Chunyun said: Which is superior—the socialist system or the capitalist system? This is a question which is discussed quite a bit among the people, and on which people's views are different. During their practice, the masses of workers, peasants, and soldiers personally experienced the superiority of socialism. When they sang the song "Socialism Is Good," they also believed the same because socialism had indeed brought tremendous political and economic benefits to them. However, persons engaged in bourgeois liberalization vigorously sang a different tune. Citing some superficial phenomena of capitalist countries, such as the flourishing economy, high wages, and many cars, they sang the praise of everything capitalist, and spread the fallacies that socialism is inferior to capitalism and that the mainland is inferior to Taiwan. Such acts were extremely lopsided and erroneous. We stress that comparison is an important way to understand things. We should correctly understand the superiority of socialism through scientific comparisons.

First, we should make a comparison of the growth rate of the economy. The economic growth rate of our country notably surpassed those of capitalist countries. Our economic growth rate in the past 40 years since the founding of the country surpassed those of the capitalist countries whose national situations were roughly the same with our country's. According to relevant information, among the 14 countries, whose population exceeded 10 million, and whose 1980 per-capita national income was \$410 or less, none of them registered a higher GNP growth rate than China's. Judging from the situation of Shandong Province, our economic growth rate has also been very quick. Over the past 40 years, the province's total product of society has grown 41-fold, national income 23-fold, and industrial and agricultural output value 38-fold. The past 10 years marked a period in which Shandong's productive forces developed at the highest rate, various social undertakings advanced by leaps and bounds, and people gained the greatest real benefits. The problem in supplying sufficient food and clothing to the people, which we had failed to solve for generations, was by and large solved in 6 years, and the economic growth rate was doubled in 7 years. Such a long period, highly efficient, and rapid development in economic and social undertakings not only was never experienced by the dynasties in Old China, but also was admired by the contemporary developed capitalist countries.

Second, we should make a comparison of the material foundation for development and the way of development. Our country's socialism was developed through self-reliance and hard work under the condition in which the material foundation was extremely weak. However, the capitalist developed countries and regions achieved development on a substantial material foundation which they had built through exploitation, plunder, and blood transfusion [as heard].

Third, we should make a comparison of science and technology. Our country has reached the advanced international level in some major spheres and has not fallen behind the developed capitalist countries. The first mushroom cloud which shot into the sky in western China in the fall of 1964 was the first sudden clap of thunder created in China's scientific and technological sphere. Through the constant pioneering work during the past 25 years since 1964, we have not only mastered the atomic bomb, hydrogen bomb, and nuclear-powered submarine production technologies, but our achievements in the peaceful utilization of nuclear energy have also won admiration in the world. Now, China has become one of the few countries in the world that has completely systemized nuclear science and technology and the nuclear industry. According to the statistics compiled by the computer monitoring station of the China Science and Technology Information Center, of the 10,000-odd major scientific and technological research findings achieved throughout the country in each of the past several years, 2,000 to 3,000 have been in the lead in the world in certain aspects. Over the past 40 years, Shandong Province has also achieved major progress in scientific and technological undertakings. The province as a whole has achieved a total of 16,019 major scientific and technological research findings, of which 502 have reached or approached the advanced international level and 5,022 have reached the advanced domestic level.

Fourth, we should make a comparison of distribution and the share of wealth. The socialist principle of distribution according to labor represents the interests of the overwhelming majority of the people; while the capitalist principle of distribution according to capital only represents the interests of an extremely small number of people.

Fifth, we should make a comparison of the structure of consumption. The index of living quality of our country's people has been on the medium level of the world, and the pace of improvement in living standards has been faster than that of capitalist countries. So far as medical and hygiene service is concerned, before the liberation of our country, Chinese people were called the sick men of East Asia. Now, it has been changed. In 1988, hospitals throughout the country possessed a total of 2.8 million sickbeds, 12 times the 1952 figure. The incidence of infectious diseases and parasitic diseases which seriously affected the people's health before the liberation of the country has dropped substantially, of which some have already been stamped out in our country. Through 40 years of endeavor, Shandong Province has wiped out kala-azar, filariasis, and malaria which had been rampant in China for several centuries. The province's mortality rate has also declined from 25 per thousand before the founding of the PRC to 6.6 per thousand at present. The average life span has risen from 35 years before the PRC's founding to 71.72 years. There is an old saying that it is strange to be 70 years old. However, in China, it is not strange to get to be so old.

Sixth, we should make a comparison of democracy. The socialist democracy is real democracy applicable to the majority of the people; while the capitalist democracy is a false one applicable to only an extremely small number of people.

Seventh, we should make a comparison of ideological civilization. Socialism can build up a spiritual civilization that cannot be caught up with by capitalism. Over the past 40 years since the founding of the PRC, many of our country's achievements have embarked on the advanced international ranks in scientific, educational, and cultural undertakings. In the field of ideology and morality, the capitalist countries have lagged far behind our country. Since the beginning of 1950's, tens of thousands of the Lei Feng-type youths, the Wang Jinxin-type workers, (Luo Jianfu)- and Jiang Zhuying-type intellectuals, and the Jiao Yulu-type cadres, as well as the recent Republic defenders such as Liu Guogeng, Li Guodong, and Cui Guozheng have emerged one after another. This cannot be realized by capitalist countries.

Eighth, we should make a comparison of the international status. Our socialist country is a completely independent country, and is playing an increasingly great role in the international affairs. However, some capitalist countries and regions are dependent on imperialism and lack the status of independence.

Jiang Chunyun said in his report: Looking into the future, we can see that the fatal weak points of capitalism will increasingly manifest themselves, and the superiority of socialism will be developed to a fuller extent. As compared with capitalist countries, China has tremendous potential for development and has glorious traditions. As long as we resolutely follow the party's basic line defined at the 13th National Party Congress, take economic construction as the central task, uphold the four cardinal principles, and adhere to reform and opening up, we will certainly be able to make the socialist modernization drive more vigorous and attractive, and socialism will certainly be able to display its greater vitality, and tremendous superiority.

In conclusion, Jiang Chunyun said: Both history and reality, and both theory and practice, prove that socialism is the only correct road to save China, to develop China, and to lead China to a bright future. Negation of socialism means to negate the fundamental interest of the Chinese nation and the Chinese people, is contrary to the historical trend, and cannot win the support of the party and the people. We must greatly disseminate and popularize the theories on scientific socialism; thoroughly criticize the numerous fallacies that slander and attack socialism expressed in the ideological trend of bourgeois liberalization; and educate party members, cadres, ordinary people, and young students with the theories on scientific socialism and the tremendous achievements in socialist construction. Let us unite closely around the party Central Committee with Comrade Jiang Zemin as the core, thoroughly implement the guidelines of the 4th Plenary Session of

the 13th CPC Central Committee, adhere to the basic line consisting of one central task and two basic points, work hard with one heart and one mind, successfully carry out the various work of Shandong, and make new and even greater contributions to building socialism with Chinese characteristics.

Ma Zhongchen, deputy secretary of the provincial party committee, presided over the report meeting. More than 1,800 persons attended. They were responsible comrades of the provincial party committee, the Discipline Inspection Commission, the People's Congress Standing Committee, the government, and the Committee of the Chinese People's Political Consultative Conference, including Zhao Zhihao, Zhang Quanjing, Miao Fenglin, He Guoqiang, Tan Fude, Xu Jianchun, Lin Ping, Yan Qingqing, Zhang Ruifeng, Lu Maozeng, Xu Wenyuan, Ding Fangming, Jin Baozhen, and Miao Yongming, as well as cadres at and above the section level of the various departments directly under the province.

Shandong's Jiang Attends National Day Activities

Reception Held 30 Sep

SK0410020189 Jinan Shandong Provincial Service
in Mandarin 0015 GMT 1 Oct 89

[Excerpts] On the afternoon of 30 September, the banquet hall of the Nanjiao Hotel in Jinan was colorfully decorated and was permeated with a warm atmosphere. The Shandong Provincial People's Government held a ceremonious National Day reception there to warmly celebrate the 40th founding anniversary of the PRC.

Jiang Chunyun, secretary of the provincial party committee; Li Jiulong, commander of the Jinan Military Region; Song Qingwei, political commissar of the Jinan Military Region; Ma Zhongchen, deputy secretary of the provincial party committee; Zhao Zhihao, deputy secretary of the provincial party committee and provincial governor; Liang Buting, chairman of the provincial Advisory Commission; Li Zhen, chairman of the provincial People's Congress Standing Committee; Li Zichao, chairman of the provincial Committee of the Chinese People's Political Consultative Conference [CPPCC]; Zhang Quanjing, secretary of the provincial Discipline Inspection Commission; Lu Maozeng, member of the party Central Committee staying in Jinan; He Guoqiang, alternate member of the party Central Committee in Jinan; Su Yiran, Rao Shoukun, and Kong Shiquan, members of the Central Advisory Commissions in Jinan; and Li Farong and Cao Pengsheng, members of the Central Discipline Inspection Commission in Jinan, attended the reception to mark the National Day.

Also attending the reception were leading comrades of the provincial party committee, the provincial Advisory Commission, the provincial Discipline Inspection Commission, the provincial People's Congress Standing Committee, the provincial government, and the provincial CPPCC Committee; leading comrades of the Jinan Military Region; leading organs of the Jinan Military

Region, the Air Force of the Jinan Military Region and the provincial military district, the provincial Higher People's Court, and the provincial People's Procuratorate; special advisers of the provincial government; veteran provincial comrades and veteran comrades of the Jinan Military Region; and responsible comrades of Jinan City, the provincial Armed Police Force, provincial mass organizations, and various democratic parties. Foreign guests, experts, and students in Jinan; Overseas Chinese; compatriots of Hong Kong, Macao, and Taiwan; model workers; advanced personages; and representatives of model heroes also attended the reception.

Governor Zhao Zhihao addressed the National Day reception. He said: Forty years is only a short period in the history of mankind. However, it was not so in China because earth-shaking changes had taken place there. Under the leadership of the Chinese CPC, the people of Shandong have upheld the socialist road, relied on their own efforts to painstakingly pioneer their cause, and developed and advanced the national economy and all socialist undertakings with an unprecedented speed. During the 10 years since the 3d Plenary Session of the 11th CPC Central Committee in particular, reform and opening up has instilled new vigor and vitality into all fronts in Shandong. An excellent situation marked by political stability, economic invigoration, sound policies, and social support emerged. Since the founding of China 40 years ago, the practice of our province's socialism construction has fully proven that only socialism can save and develop China, and only by upholding Communist Party leadership can we overcome difficulties and unite with the people of various nationalities, various democratic parties, and patriotic personages to share weal and woe with one another and to invigorate China. [passage omitted]

Zhao Zhihao continued: At present, the people throughout the province, from the higher levels to the lower levels, are deeply implementing the guidelines of the 4th Plenary Session of the 13th CPC Central Committee and conscientiously attending to the four major tasks. We will continue to uphold unswervingly the four cardinal principles, which constitute the foundation of the country, and implement the policy of reform and opening up, which constitute the road leading the country to prosperity. We will also continue to implement earnestly the principle of improving the economic environment, rectifying the economic order, and deepening reform; continue to expand the scope of opening to the outside world; and actively develop economic, technological, and cultural exchange and cooperation with all countries under the principle of equality and mutual benefits.

Jinan Fireworks Show Held 1 Oct

SK0410043389 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 1 Oct 89

[Excerpts] On the evening of 1 October, Jinan City held a magnificent fireworks show to celebrate the 40th anniversary of the founding of the PRC. [passage omitted]

Alongside tens of thousands of people attending the garden party and watching the fireworks show at Daminghu Park were some leading comrades, including Jiang Chunyun, secretary of the provincial party committee; Li Jiulong, commander of the Jinan Military Region; Song Qingwei, political commissar of the Jinan Military Region; Ma Zhongchen, deputy secretary of the provincial party committee; Zhao Zhihao, deputy secretary of the provincial party committee and governor of the province; Li Zhen, chairman of the Standing Committee of the provincial People's Congress; Li Zichao, chairman of the provincial committee of the Chinese People's Political Consultative Conference [CPPCC]; Lu Maozeng, member of the CPC Central Committee in Jinan; Su Yiran and Rao Shoukun, members of the Central Advisory Commission; Li Farong, member of the Central Discipline Inspection Commission; Zhang Quanjin, Miao Fenglin, Li Chunting, He Guoqiang, Ma Zhongcai, Tan Fude, Liu Peng, Liu Zhongqian, Wang Chengwang, Wang Runzhai, Zhu Yongshun, (Zeng Shuzhi), Li Yu, Lu Hong, Xiao Han, Xu Jianchun, Lin Ping, Xu Sen, Yan Qingqing, Li Chunting, Zhang Ruifeng, Wang Lequan, Zhou Zhenxing, Xu Wenyuan, Kong Lingren, Ding Fangming, Yang Da, Wu Fuheng, (Wang Jinglong), Su Yingheng, and Miao Yongming, leading comrades of the provincial party committee, the provincial Advisory Commission, the provincial People's Congress Standing Committee, the provincial government, and the provincial CPPCC Committee; Jiang Futang and Yan Zuo, leading comrades of organs under the Jinan Military Region and the provincial Military District; Meng Zhaoju, president of the provincial Higher People's Court; Zang Kun, chief procurator of the provincial People's Procuratorate; Zhang Jingtao, Zhu Qimin, Ma Changgui, and Han Bangju, special invited advisers to the provincial government; Zhao Lin, Qin Hezhen, Xu Leijian, Chen Lei, Gao Fengwu, Zhang Zhusheng, Wang Baomin, Wang Weitian, Wang Jing, Zhou Xingfu, Li Sijing, Tian Haishan, Bai Yanbo, Wang Liang, Sai Feng, Li Guangde, and Chen Fengjiu, veteran comrades of the province; Xiong Zuofang, Pan Qiqi, (Zhang Rushan), Li Suiying, Bai Bing, and Ouyang Ping, veteran comrades of the Jinan Military Region; Yang Chuantang, secretary of the provincial Communist Youth League Committee; Yang Yanyin, chairman of the provincial Women's Federation; Zhang Xitian, Wang Shutang, and Ai Luchuan, representatives of the provincial democratic parties; Zhai Yongbo, Li Qiwan, Li Yuanrong, and Liu Yaohua, leading comrades of Jinan City; and representatives of model workers and heroes on all fronts.

Shanghai Mayor Joins National Day Celebrations

OW0310000789 Shanghai City Service in Mandarin
2300 GMT 1 Oct 89

[Excerpts] After several days of drizzling rain, it was a sunny day in Shanghai today. Under the sunshine, the million flowers on the streets were even more colorful than ever before. The 12 million people of Shanghai marked the 40th anniversary of the founding of New

China in a joyous mood. Jubilant and beautiful celebrations were held in Shanghai.

Zhu Rongji and responsible persons of the municipal party committee, the municipal Advisory Commission, the municipal Discipline Inspection Commission, the Standing Committee of the municipal People's Congress, the municipal government, the municipal CPPCC Committee, the People's Liberation Army units stationed in Shanghai, various democratic parties, and mass organizations; Shanghai model workers, outstanding party workers, shock workers on the new Long March, 8 March red-banner pacesetters, and outstanding teachers; and representatives of people of minority nationalities, family members of martyrs, foreign friends, and hundreds and thousands of Shanghai residents gathered at the Zhongshan, Jingan, and Fuxing parks, as well as at the Hudong and Huxi workers cultural palaces to celebrate the fine festival together.

With the beating of drums and gongs, the party and government leaders of Shanghai Municipality, led by Mayor Zhu Rongji, came to the colorful Hudong Workers Palace early this morning to join the workers at the garden party there in celebration of the 40th anniversary of the founding of the People's Republic. [passage omitted]

Zhu Rongji and his entourage met with model workers at the skating rink and the park and watched children's performances. Visiting an exhibition of Chinese painting and calligraphy, Comrade Zhu Rongji warmly praised the organizers for sponsoring such an exhibition which creates a refined atmosphere. He also had a conversation with a comrade of the Shanghai Garment Import and Export Co.

[Begin recording] [Unidentified worker] On 5 October, we will convene an oath-taking meeting in the company, pledging to fulfill this year's target of earning \$400 million for the state.

[Zhu Rongji] We rely on the export of garments and the processing of light industrial products. The garment market has great potential. Did you say \$400 million?

[Unidentified worker] Yes, \$400 million. [end recording] [passage omitted]

In order to increase the production of readily marketable products and to ensure the continuous flow of merchandise to the market, more than 600 factories and 700,000 workers of the municipality worked on National Day, while 14,000 stores opened their doors and some 300,000 workers in various catering services and commercial fields served the people on 1 October. Vice Mayors Gu Chuanxun, Ni Tianzeng, Zhuang Xiaotian, and Ni Hongfu visited various factories, rural areas, and stores to convey their greetings to the workers who were working on National Day. [passage omitted]

Central-South Region

Guangdong Trade Official Arrested for Corruption

HK0510030289 Hong Kong TA KUNG PAO
in Chinese 5 Oct 89 p 1

["Special dispatch" from Guangdong: "Deputy Director of Guangdong's Foreign Economic Relations and Trade Commission Arrested for Corruption"]

[Text] Guangzhou 4 Oct—According to a reliable source, Zhang Futang [1728 1381 1016], former director of the provincial Office of Special Economic Zones and newly appointed deputy director of Guangdong's Foreign Economic Relations and Trade Commission, has been arrested by Yuexiu District's People's Procuratorate on charges of corruption after a period of investigation.

Zhang Futang was appointed deputy director of Guangdong's Foreign Economic Relations and Trade Commission and secretary of its party group by his superiors in early September after Xu Yunian, former director of Guangdong's Foreign Economic Relations and Trade Commission, was dismissed from the post by the provincial People's Congress early last month. In less than two weeks after Zhang's letter of appointment was dispatched, he was arrested by the procuratorial organ on charges of corruption.

According to the information, officials from the procuratorial organ have gone to Zhang's house to gather evidence and make an inventory of his property, acting in accordance with law.

The above information has been verified by two senior government officials, who declined to comment further on the crimes committed by Zhang Futang.

Guangdong Leaders Meet PLA Representatives

HK3009060989 Guangzhou Guangdong Provincial
Service in Mandarin 0400 GMT 30 Sep 89

[Text] This morning, party, government, and Army leaders in the Guangzhou area met and held a forum with representatives of dependents of martyrs and servicemen, some heroes and models, and advanced individuals in supporting the Army and government who have been invited to attend the National Day celebrations in Guangzhou. Present were responsible comrades of the province and city including Lin Ruo, Guo Rongchang, Ling Botang, and Yang Ziyuan; and leading comrades of Guangzhou Military Region and its organs, the Air Force of the Military Region, Guangzhou Naval Base, the provincial Military District, and the provincial Armed Police Force, including Zhang Zhongxian, Zhang Zhenxian, Liu Guinan, Zhang Juhui, Zhang Hongyun, Huang Huang, and He Jinghuan.

Open Policy Brings 'Golden Age' to Guangdong*OW0110180489 Beijing XINHUA in English
0912 GMT 1 Oct 89*

[Text] Guangzhou, October 1 (XINHUA)—The reform and open policy of the Chinese Government has brought about a "golden age" of economic development to south China's Guangdong Province.

Guangdong, the first province to carry out the reform and open policy in China, has developed a very good investment environment and stable situation. During the last ten years the province has used 7.93 billion U.S. dollars in foreign investment. In the first half of this year 2.4 billion U.S. dollars was invested by foreign firms in the province, a 58 percent increase compared with that of the same period last year.

Guangdong now boasts 35 special economic zones, economic and technological development areas, coastal cities open to foreign investment and city- and county-level economic development areas around the Pearl River Delta.

The economic and technological co-operation projects between Guangdong and other countries and regions cover a wide range of areas including industry, agriculture, energy, transport, telecommunications, science, public health, commerce and tourism. The province has imported advanced equipment and technologies to upgrade its electronics, textile, garment, beverage, medicine, toy, printing, plastic, building and packaging materials industries.

Its foreign trade has also been promoted. From 1979 to 1988 its export volume was 33.53 billion U.S. dollars. Its products are now exported to 146 countries and regions. Its export volume in 1988 was 7.3 billion U.S. dollars, one-sixth of the national total, ranking first among China's provinces, autonomous regions and municipalities.

A total of 7,377 foreign-funded enterprises, 60 percent of all such enterprises in China, are located in the province. They have become the mainstay of Guangdong's export-oriented economy. The Shenzhen Special Economic Zone is the most active one in importing foreign funds.

In 1979 the Chinese Communist Party Central Committee and the State Council agreed that Guangdong could adopt a special and more flexible policy and experiment in the Shenzhen, Zhuhai and Shantou special economic zones. Such a policy has brought vitality to economic construction in the province. It has imported foreign funds and collected capital by various means to solve the energy problem and develop the electricity industry. Now the province's power plants have a combined capacity of 5.37 million kw.

Shenzhen, formerly a small border town, now has become China's No. 3 exporting city after Shanghai and Tianjin. And Zhuhai, a former fishing village, is now a modern industrial city with first-class tourism services.

The Pearl River Delta, formerly exclusively agricultural, now has numerous factories producing export products made with customers' materials and designs or on a compensation basis.

Governor Ye Xuanping said recently that his province would continue to carry out the reform and open policy, and bring into full play its special economic zones, development areas and coastal cities open to foreign investment.

Hainan Leader Views Province's Situation, Policy*HK0210041389 Beijing ZHONGGUO XINWEN SHE
in Chinese 0948 GMT 28 Sep 89*

[Report: "Hainan Party Committee Secretary Xu Shijie on the Province's Present Situation and Policy"]

[Text] 28 Sep. Haikou (ZHONGGUO XINWEN SHE)—Hainan Provincial Party Committee Secretary Xu Shijie said here yesterday that the preferential policies designed by the central authorities on Hainan remain unchanged, and the "30-Article Document" formulated by the Hainan Provincial People's Government in accordance with the spirit of the central authorities would continue to be effective.

Xu made the remarks in an interview with a reporter from the HAINAN RIBAO, which frontpaged the full text of Xu's statement today.

Referring to the preferential policies on Hainan, Xu Shijie said that after "the quelling of the counterrevolutionary rebellion in Beijing," he went to Beijing several times. On every occasion, the central leaders told him that the policies on Hainan would not change. When receiving Liu Jianfeng and Li Zhimin on 7 September, Premier Li Peng reiterated repeatedly that the policies on Hainan would not change, and that the policies issued by the State Council regarding Hainan's development and construction must continue to be carried out and their continuity be maintained.

When asked if some people hold that the current low ebb of development and opening up in Hainan is the result of the recent counterrevolutionary rebellion in Beijing, Xu Shijie pointed out that it should be said that Hainan was comparatively stable when the counterrevolutionary rebellion erupted in Beijing. Nevertheless, there is no denying the fact that the rebellion has had some adverse effects on our province. Viewed from the recent situation, however, some improvements have appeared with the arrival of a number of people in Hainan who are making investments on their own, several groups of overseas businessmen whose native place is Hainan, and foreign investors. We have amended some faults we committed before. Now we must do more and talk less, or do what we ought to do and keep silent. We should not think that our development and construction are now at a low ebb only because there are no relevant news reports in the press. On the contrary, some things that we have done are more solid than before.

Speaking on whether the change in provincial governors has had any effect on Hainan, Xu Shijie said: Reform and opening up is an inexorable trend in the development of socialism in China, is necessary to the development of productive forces, and is a strategic decision made by the central authorities. We should not say that only Comrade Liang Xiang embodies reform and other comrades do not carry out reform. The newly appointed governor will also, as always, implement the preferential policies specially formulated by the central authorities for Hainan and carry out reform and opening up.

When talking about whether or not Hainan should place the market economy or the planned economy in the leading position, Xu Shijie pointed out: In view of its actual situation, Hainan still aims to build up a market mechanism. However, Hainan is still far from its goal of developing a market economy because its economic level is still low. Hainan is short of commodities and materials, and information facilities are inadequate in some areas. This is liable to cause sharp price rises, a blind development of some trades, and some unnecessary losses if macroeconomic control and planned economic management are not stressed. Xu Shijie added: The ownership structure of a special economic zone must consist of diverse economic sectors. The previous industrial output value of Hainan was not high; it is very likely that the proportion of output value created by Chinese-foreign joint ventures, cooperative enterprises, and exclusively foreign owned enterprises will grow larger. We cannot say that we do not practice socialism because the proportion of output value of those enterprises is growing larger, and thus in no way will Hainan practice capitalism.

Hainan Holds Exhibit on Quelling of 'Rebellion'

HK0310023589 Haikou Hainan Provincial Service
in Mandarin 0500 GMT 2 Oct 89

[Excerpts] An exhibition reflecting the quelling of the counterrevolutionary rebellion in Beijing opened at the Workers' Cultural Palace in Haikou yesterday morning.

The exhibition is jointly sponsored by six organizations. They are the provincial party committee Propaganda Department, the provincial Physical Culture, Radio, and Sports Department, the provincial International Trust and Investment Corporation, the Hainan International Exhibition Service Company, and the provincial News Photo Service. [passage omitted]

Attending the opening ceremony were Xu Shijie, Miao Enlu, Wei Zefang, Pan Qiongxiong, Cao Wenhua, Meng Qingping, Chen Kegong, Zhang Jintao, (Kong Fanyuan), and other provincial party committee and government leaders; as well as Hainan Military District Commander Pang Weiqiang, South [as heard] Air Force Political Commissar (Hou Bu), the No 11 Detachment Armed Police Chief (Chen Hongyuan), and veteran cadres (Ma Beishan) and (Zhang Fahua).

The exhibition will last 15 days.

North Region

Tang Shaowen To Be New Tianjin Party Secretary

Career Highlighted

OW0410165389 Beijing XINHUA in English
1450 GMT 4 Oct 89

[Text] Tianjin, October 4 (XINHUA)—The Central Committee of the Communist Party of China (CPC) recently nominated Tang Shaowen for the post of secretary of the CPC Tianjin Municipal Committee.

Zhang Lichang was nominated as its deputy secretary.

Former party Secretary Li Ruihuan was elected to the Standing Committee of the Political Bureau of the CPC's Central Committee at the fourth plenum of the 13th party Central Committee held last June.

Tang was born in 1929 in Xinjin County in southwest China's Sichuan Province. He graduated from the Textile Engineering Department of the Northwest Engineering Institute in 1952 and joined the Chinese Communist Party three years later.

He has served as deputy director and director of the Dean's Office of the Hebei Textile Engineering Institute, vice-president and president of the Tianjin Textile Engineering Institute, deputy head and head of the Tianjin Municipal Committee for Cultural and Educational Affairs, Standing Committee member, secretary-general and deputy secretary of the CPC Tianjin Municipal Committee, vice-chairman of the eighth municipal committee of the Chinese People's Political Consultative Conference and was a deputy to the 12th party congress.

Handling of Protests Cited

HK0510021189 Hong Kong SOUTH CHINA
MORNING POST in English 5 Oct 89 p 1

[By Willy Wo-lap Lam]

[Text] The Chinese Communist Party has appointed Mr Tan Shaowen as party boss of Tianjin, China's second largest industrial city.

Mr Tan, 60, takes over from Mr Li Ruihuan, who was promoted a member of the Politburo Standing Committee in June.

At the same time Mr Zhang Lichang, the city's executive vice-mayor, has been made deputy secretary of the city's party committee.

It is expected that Mr Li will also soon relinquish his other position as Tianjin mayor. And Mr Zhang is tipped to take over as head of the Tianjin municipal government.

A business specialist who heads the city's Economics Commission, Mr Zhang is also an alternate member of the Communist Party's Central Committee.

New party boss Mr Tan, who has been one of three deputy secretaries of the Tianjin party committee since 1983, is responsible for education and culture. Mr Tan is also chairman of the Tianjin Branch of the Chinese People's Political Consultative Conference.

Analysts believe that aside from his excellent relations with Mr Li, Mr Tan was elevated because of his deft handling of the student movement.

Considered by Western analysts as a technocrat, Mr Tan had been president of the Tianjin Textile Engineering Institute and head of the Committee for Cultural and Educational Affairs of the municipal government.

Together with Beijing and Shanghai, Tianjin is a centrally-administered city that has the status of a province.

Since traditionally the party bosses of the three centrally administered cities are entitled to positions on the Politburo, analysts think that Mr Tan might be promoted to that supreme body in the near future.

Beijing Adopts Measures To Regulate Hiring

*HK0410015289 Beijing CHINA DAILY in English
3 Oct 89 p 1*

[By staff reporter Li Hong]

[Text] The Beijing municipal government is trying for the first time to regulate the private hiring of labourers, according to city officials.

The city's Bureau of Labour Administration has just adopted three measures governing the hiring of workers by private enterprises and self-employed businessmen.

Throughout Beijing's 14 urban districts and outlying counties, the employers and prospective employees are now required to register at local labour administrative departments, they must draw up a contract and the employer must buy life insurance for his workers, Li Chanchun an official with the bureau, said yesterday.

It is believed that Beijing is the first city in the country to adopt such regulations to ensure the lawful rights of hired labourers, according to Li.

Self-employed businessmen and private enterprises may recruit helpers, apprentices and other workers from among urban jobseekers, rural farmers, retirees and other personnel in keeping with State and local laws and regulations, Li said.

However, he said, employers are advised to hire urban jobseekers rather than rural labourers to keep down the influx of outsiders.

Self-employed businessmen and private enterprises are forbidden to hire children under the age of 16, house attendants who have not yet fulfilled their contracts or anyone else restricted by law.

With regard to regulation procedures, local neighbourhood committees and township labour administration departments are permitted access to the business licences of employers, permanent or temporary urban residence papers of the employees, jobseeking certificates and other employee credentials.

Labour contracts must conform to the principles of equality, voluntary participation and mutual benefit. Their content must specify the type of work and limits of working hours, terms of probational hiring, duration of contract, working conditions, pay, insurance, welfare and penalties for violating the contract.

The probation period for a new employee should not exceed 15 days, Li said.

If one party wants to terminate the contract, he is required to notify the other party one week in advance, otherwise he will be considered violating the contract.

It will be illegal for any employer to terminate contracts with his employees because the latter are hospitalized for industrial injuries, according to Li.

With respect to working conditions, employers are required to provide adequate security and sanitary facilities. Inspections will be carried out periodically by the labour departments to ensure the safety and health of employees.

The standard work day is eight hours, Li said. This time may be extended only with the prior agreement of the hired workers, who later should be paid for working overtime.

Violators of these measures will be severely punished, Li said.

According to official statistics, more than half of Beijing's employers and their hired labourers have so far registered and signed contracts.

At present, there are about 130,000 self-employed businessmen and private enterprises throughout Beijing, and they have hired more than 50,000 labourers.

Inner Mongolia People's Congress Meeting Ends

*SK3009013189 Hohhot Inner Mongolia Regional
Service in Mandarin 1130 GMT 28 Sep 89*

[Text] After a 6-day session, the eighth meeting of the seventh autonomous regional People's Congress Standing Committee concluded in Hohhot City on the afternoon of 28 September.

Batubagen, chairman of the autonomous regional People's Congress Standing Committee, presided over the meeting. Attending today's meeting were vice chairmen of the regional People's Congress Standing Committee—including Butegeqi—Zhang Cangong, Seyinbayar, Xu Lingren, Bai Junqing, Liu Zhenyi, and Sha Tuo.

During the meeting, the participating members examined and approved the region's regulations on protecting laborers, the region's detailed rules and regulations on electing deputies of people's congresses at all levels, and the region's decision on (?the date of electing the deputies of people's congresses at county and township levels). The decision stipulates that the term-shift election of people's congresses at the county-banner and township-sumu levels will be completed by the end of 1990. They also examined and approved the namelist of staff members of the region's Electoral Committee. Batubagen and Chao Luomeng, deputy secretaries of the regional party committee and vice chairmen of the regional People's Congress Standing Committee, have been appointed chairmen of the Electoral Committee; Butegeqi (Mongolian), vice chairman of the regional People's Congress Standing Committee; Bai Junqing, vice chairman of the regional People's Congress Standing Committee; Zhou Rongchang, [words indistinct], and [name and title indistinct], have been appointed vice chairmen of the Electoral Committee. The number of the electoral committee's members reaches 18. [sentence indistinct].

Northeast Region

Heilongjiang Leader Joins National Day Festival

SK0410010389 Harbin Heilongjiang Provincial
Service in Mandarin 2200 GMT 1 Oct 89

[Report on National Day celebration in Harbin City on 1 October—recorded]

[Excerpts] [Passage omitted] On the early morning of 1 October, people throughout Harbin City, dressed in colorful autumn clothes, happily went out of their homes in groups to the large parks in the city to join in the grand celebrations marking the National Day. [passage omitted]

On 1 October, Zhaolin Park of Harbin City was full of colorful streamers dancing in the air and filled with a joyous atmosphere of singing of peace. At 1030 that day, coming to the park to join the several hundreds of model laborers, commanders and fighters of the People's Liberation Army [PLA], policemen of the Armed Police Force, youths and children, the representatives of the masses, and literary and art workers to joyfully celebrate together National Day were leading comrades from the provincial party committee, the provincial Advisory Commission, and the provincial Chinese People's Political Consultative Committee, including Sun Weiben, Wang Zhao, Wang Luming, Zhou Wenhua, Wang Haiyan, Qi Guiyuan, Ma Guoliang, Zhang Xiangling, Zhang Lin, Wang Fei, Liu Huixian, Tang Liandi, Guo Shouchang, (Lin Ru), Wang Dexin, Fu Shiyang, and Zong Kewen; Chen Lei, member of the Central Advisory Commission; Li Jianbai, member of the National People's Congress Standing Committee; Zhao Dezun and Chen Jianfei, retired veteran cadres; and Gong Benyan, mayor of Harbin City.

Also attending the festivities in the park were more than 40 foreign friends who are working or studying in the city.

During the celebration, units, including the Harbin City Physical Cultural and Sports Commission, the Harbin Song and Drama Institute, the city's Beijing Opera Institute, and the city's Ping-Drama Institute, presented their outstanding performances of kung-fu and literary and art programs, which were warmly welcomed by the spectators. [passage omitted]

At 1050 that day, coming to the open-air theater at Wenhua Park of Harbin City to join the masses of various circles of the city—and foreign experts who are working in the city to view the outstanding performances, including youth group calisthenics, acrobatics, and a magic show—were leading comrades from the provincial People's Congress, the provincial people's government, the provincial Discipline Inspection Commission, the provincial military district, the PLA units stationed in the city, and from Harbin City, including Shao Qihui, Li Genshen, Ma Chunwa, Xie Yong, Wang Jun, He Shoulun, Zhang Ruoxian, Ji Hua, Du Dianwu, An Zhendong, Huang Feng, Dai Moan, Tian Fengshan, (Wei Xiaozhen), Sun Lianju, He Daoquan, (Zhao Zhao), and Dong Yisheng. [passage omitted]

Heilongjiang Works To Restore Plains Fertility

OW2909000289 Beijing XINHUA in English
1103 GMT 28 Sep 89

[Text] Harbin, September 28 (XINHUA)—Agro-scientists and farm workers on the alluvial Sanjiang Plain of northeast China's Heilongjiang Province, are now undertaking the ambitious and arduous task of restoring fertility in a bid to maintain the plain's position as the country's "granary."

When large-scale reclamation of the 140,000 square kilometer Sanjiang Plain (the three river plain—formed by the Heilong, Songhua and Wusuli rivers) was initiated in the early 1950s, the soil there was virgin and of unmatched fertility.

Over the past three decades, about 100 farms on the plain have produced about 58 billion kilograms of grain and soybeans and turned over 27 billion kilograms to the state.

Now the plain, the country's leading grain and soybean producer, is overworked. The land has degenerated because of irrational cropping systems and negligence in applying fertilizer.

"Our achievements in battling the most serious problem, the white clay soil, are encouraging," said Wu Qichao, head of the Sanjiang Plain office.

White clay soil with low organic content, aeration and permeability now covers 800,000 hectares, a quarter of the plain's arable land.

To increase the organic content of the soil, agro-scientists and farm workers have increased the use of humus made of wheat straw and soybean stalks which were formerly discarded as waste. Now 92 percent of the straw and stalks harvested are used in fertilization, according to Wu.

In addition, scientific use of chemical fertilizer and deep ploughing have been introduced. Farm workers have also grown forage grass on farmland for purposes of animal husbandry and to leave the land lie fallow for a year or two before resuming grain production.

"The degeneration of the land on our farm was alarmingly serious," said Hu Jialu, senior agronomist and deputy head of the Number 852 Farm in Heilongjiang Province.

Thirty-three years of tillage on the farm had reduced 40 percent of the farm's land to nothing but sterile land with white, sticky clay soil. Annual production costs had outstripped returns—average annual income per hectare was 324 yuan, but the annual investment totalled 750 yuan.

Things have changed since 1985 when the farm began to co-operate with the Canadian International Development Agency to grow perennial forage grass on a 240-hectare area in order to restore fertility, according to Hu. Now four and a half to six tons of hay per hectare can be harvested from land that used to yield only 675 kilograms of grain per hectare. The income from a hectare of grass is 2,250 yuan, twice the amount from a hectare of grain.

The farm now raises 220 head of cattle, including 100 cows with annual milk output of six tons per head.

"We intend to eventually increase rain and soybean output and develop livestock raising and other sideline undertakings," Hu said.

Thanks to land fertility improvement, grain and soybean output on the Number 853 Farm, which borders on the Number 852 Farm, increased to 118,600 tons in 1988 from 90,000 tons in 1984, an average annual growth of 7.1 percent.

Its annual agricultural output value rose to 112 million yuan in 1988 from 72 million yuan in 1984, an average annual increase of 11.8 percent. Annual income per capita jumped to 1,151 yuan in 1988 from 564 yuan in 1984, an average annual increase of 19.5 percent.

The fertilization experiment on the Sanjiang Plain has attracted the attention of Chinese and foreign agricultural experts. They say that the experiment, though at an initial stage, is an indicator of emphasis on agricultural science and will play an exemplary role in the transformation of low-yield land across the country.

Jilin Secretary Attends Organization Meeting

SK2909033189 Changchun Jilin Provincial Service in Mandarin 1030 GMT 28 Sep 89

[Text] The provincial conference of organizational department directors concluded in the City of Jilin on 28 September. At the beginning of the conference, Comrade He Zhukang, secretary of the provincial party committee, delivered a speech on how to carry out party building successfully.

During the conference, the representative of the Jilin Chemical Industrial Corporation delivered a report on describing their experience with enhancing the work of party building.

Comrade Gao Yan, member of the provincial party Standing Committee and director of the Organization Department, presided over the conference and delivered a speech in which he pointed out that party organizations at all levels should study and popularize the experience gained by the Jilin Chemical Industrial Corporation, which is universal and deserves to be studied not only by enterprises and establishments, but also by the party and government organs as well as various industries and trades.

In referring to grasping successfully the work concerning party spirit in opinions voiced at the conference, the participating comrades emphatically pointed out that efforts should be made to deeply implement the spirit of the 4th Plenary Session of the 13th CPC Central Committee: to unify the understanding of party members and cadres on the party's basic line, the nature and harmfulness of disturbances, and the importance and urgency of the struggle against bourgeois liberalization; to earnestly do a good job in the work of investigating and handling cases; to carry forward the party's fine tradition to overcome the corrupt phenomenon; to enhance the building of party organizations at the grass-roots level to upgrade their working capability; to earnestly do a good job in appraising cadres' achievements, and enhance the building of leading bodies; and to uphold the principle of having cadres be managed by the party, and do a good job in the management and reform of personnel matters.

Jilin Secretary Joins Coal Gas Plant Ceremony

SK3009103989 Changchun Jilin Provincial Service in Mandarin 2200 GMT 29 Sep 89

[Summary] The (Dongjiao) Coal Gas Plant in Changchun City was successfully put into production on 29 September. Attending the ceremony marking the start of production were provincial leaders He Zhukang, Wang Zhangyu, Zhang Fengqi, Huo Mingguang, Liu Yunzhao, Wang Yunkun, Xiao Chun, Chen Zhenkang, Wu Yixia, and Shang Zhenling.

The (Dongjiao) Coal Gas Plant in Changchun City is one of the key projects during the period of the Seventh 5-Year Plan. The completion of this plant will greatly alleviate the shortage of coal gas and will solve fuel

problems for 15,000 households. This project has required 260 million yuan of state investment and covers a total area of 34 hectares.

Jilin Secretary Attends National Day Functions

Changchun Soiree Held 30 Sep

SK0510074589 Changchun Jilin Provincial Service
in Mandarin 2200 GMT 30 Sep 89

[Report on National Day soiree sponsored by Jilin Province in Changchun City on 30 Sep—recorded]

[Excerpts] On the evening of 30 September, the province ceremoniously held a soiree in the City of Changchun to mark the 40th anniversary of the PRC's founding, which also symbolized the opening of the province's first artistic festival. [passage omitted]

Du Qinglin, deputy secretary of the provincial party committee, delivered an opening speech at the soiree on behalf of the provincial party committee and the provincial People's Government. [passage omitted]

During the soiree, the provincial song and dance troupe, the Changchun No 1 Motor Plant, and other literary and art troupes presented outstanding performances. [passage omitted]

Following their performances, mounting the stage to shake hands one by one with the cast and to have a group photo taken to mark the occasion were leading comrades of the provincial party committee, the provincial Advisory Commission, the provincial People's Congress, the provincial people's government, and the provincial Chinese People's Political Consultative Committee; former veteran cadres of the provincial level organs; and leading personnel from the Changchun City level organs, including He Zhukang, Wang Zhongyu, Zhang Fengqi, Huo Mingguang, Liu Yunzhao, Gu Changchun, Wu Yixia, Wang Daren, Yu Lin, Zhang Zibin, Liu Jingzhi, and Shang Zhenling.

Addresses 1 Oct Celebration

SK0410014189 Changchun Jilin Provincial Service
in Mandarin 2200 GMT 1 Oct 89

[Special report on the National Day celebration sponsored by the province and Changchun City on 1 October—recorded]

[Excerpts] The streets and lanes of Changchun City were being decorated with lanterns and colored streamers to celebrate the 40th anniversary of the PRC's founding yesterday. At 0800 yesterday, thousands of people began to visit the parks in the city to enjoy various programs provided in celebration of the National Day. [passage omitted]

Attending the celebration activities in Nanhu Park were leading personnel from the provincial party committee, the provincial Advisory Commission, the provincial

People's Congress, the provincial people's government, the provincial Chinese People's Political Consultative Committee, the provincial Discipline Inspection Commission, the provincial Military District, the People's Liberation Army [PLA] units stationed in the province, and from the City of Changchun, including He Zhukang, Wang Zhongyu, Zhang Fengqi, Huo Mingguang, Liu Yunzhao, Li Deming, Chen Xingyin, Yu Zonghuan, (Zhang Dingyi), (Yu Yuanbo), (Zhou Ziyi), (Bai Wanjing), Zhu Qingguo, (Chen Junjie), Wu Yixia, and Shang Zhenling; as well as veteran cadres from the provincial level organs.

Also attending the festivities in the park was the Chagang provincial delegation of the DPRK, which made a special trip to the province to join in the National Day event; as well as foreign experts and scholars, compatriots of Hong Kong, Macao, and Taiwan.

During the festivities in Nanhu Park, Comrade He Zhukang, secretary of the Jilin Provincial CPC Committee, delivered a speech to congratulate the people throughout the province on the occasion of the National Day, in which he stated: Comrades, compatriots, and friends: On behalf of the provincial party committee, the provincial people's government, and the Changchun City party committee and people's government, by taking advantage of the National Day, I would like to extend the warmest congratulations and cordial regards to the people of various nationalities throughout the province, workers working on various fronts and peasants across the province, retired veteran leading personnel and comrades who have made marked contributions to the province's socialist revolution and construction, and to the returned Overseas Chinese. Over the past 40 years, the PRC has achieved steady development by experiencing various severe tests and overcoming various difficulties. [passage indistinct]

Comrades, compatriots, and friends: In reviewing the experience and achievements scored in the past, we are full of energy and hope that the comrades would look to the future with full confidence and make efforts to fulfill the tasks set forth by the 4th Plenary Session of the 13th CPC Central Committee. [passage omitted]

During the festivities, the broad masses of literary and art workers from various localities across the province presented colorful performances in various parks in the city, which drew almost 100,000 spectators. [passage omitted]

Liaoning's Quan Speaks at Development Meeting

SK2909045789 Shenyang Liaoning Provincial Service
in Mandarin 1030 GMT 28 Sep 89

[Text] The 3-day meeting to exchange the experience gained in developing and building the eastern, western, and northern areas of Liaoning Province satisfactorily concluded in Fuxin on 24 September. Present at the meeting were leaders of the provincial party committee, the provincial Advisory Commission, the provincial

People's Congress, the provincial government, and the provincial Committee of the Chinese People's Political Consultative Conference, including Quan Shuren, Dai Suli, Li Changchun, Feng Yousong, Xiao Zuofu, and Shen Xianhui. Also present were responsible comrades of the various departments, commissions, offices, and bureaus under the provincial party committee and the provincial government; and responsible comrades of the various city and county party committees and governments in these three areas. More than 100 people attended the meeting.

The meeting's participants conscientiously summarized the achievements and experiences gained from developing and building the eastern, western, and northern areas of Liaoning Province. During the past 3 years, the total social product of these 3 areas amounted to 24 billion yuan; the revenues from various counties in these areas amounted to 475 million yuan, and the per-capita net income of peasants in these areas totaled 538 yuan. Among the counties and cities in these areas, Jinxi City and Lingyuan County have attained the state and the provincial standards of being a county or city having enough food and clothing.

In their speeches, Comrades Quan Shuren and Li Changchun stressed: We should fully affirm the achievements and experiences scored and accumulated by these areas. Through this meeting, we should foster an even firmer idea of self-reliance and arduous struggle, should acquire an even clearer understanding of the [words indistinct] of reform and opening-up, should give prominence to the principle of depending on scientific and technological progress to change poverty to prosperity, should vigorously launch the activity of mobilizing all trades and professions to help develop and build these areas, and should advance with even faster strides in developing and building these areas.

Quan Shuren and Li Changchun said: In line with the guidelines of the national and the provincial rural work conferences, the guiding ideology for developing and building the eastern, western, and northern areas of Liaoning in 1989 and 1990 are: Guided by the guidelines of the 4th Plenary Session of the 13th CPC Central Committee, we should change ideas; deepen reform; build ourselves through self-reliance; struggle arduously; strengthen our vitality; make use of local natural resources to further optimize the structure of industries; and vigorously step up the building of commodity production bases with the purpose of laying a solid foundation for making these areas' major economic targets—namely, the total social product, the total revenues of counties, and the per-capita income of peasants; and approach or catch up with the average provincial level, and cause these areas to move from just having adequate food and clothing to being fairly well-off by the end of 1990.

Liaoning Leader Watches National Day Fireworks

SK0510074189 Shenyang Liaoning Provincial Service in Mandarin 2300 GMT 1 Oct 89

[Excerpt] Fiery trees and silver flowers were burning and blooming in a riot of color in the sky of Shenyang City on the night of 1 October. At 1900, the province and Shenyang City cosponsored a fireworks show to celebrate the 40th anniversary of the founding of the PRC.

Together with the Chinese and foreign guests and compatriots from Hong Kong, Macao, and Taiwan to watch the fireworks show and joyfully celebrate the festival were Quan Shuren, Dai Suli, Gao Zi, Wang Guangzhong, Li Changchun, Xu Shaofu, Liu Jingsong, Nan Qixiang, Zhang Guoguang, Wang Danbo, Xu Chen, Wu Disheng, and Zhang Hongjun; and leading comrades of the province, Shenyang City, the Shenyang Military Region, and the Liaoning Provincial Military District. [passage omitted]

Liaoning Develops Industrial Facilities

OW0210182189 Beijing XINHUA in English 1507 GMT 2 Oct 89

[Text] Shenyang, October 2 (XINHUA)—Liaoning Province, northeast China, has become one of China's important industrial centers.

While the province's population accounts for only 3.5 percent of the country's total, its annual output value of heavy industry now constitutes 10 percent, according to Zhang Benbo, director of the provincial Bureau of Statistics.

The province ranks first in the country in annual output of steel, rolled steel, iron, electrical power, processed petroleum and soda ash and second or third in the output of machine tools, crude oil, natural gas, caustic soda and chemical fibers.

Liaoning has turned over to the central government a total of 267.2 billion yuan (72.2 billion U.S. dollars) of taxes and profits in the past 40 years, Zhang Benbo said.

The money, Zhang said, is enough to build two similar bases.

The Anshan Iron and Steel Complex, the biggest of its kind in the country, has turned over to the state 39.1 billion yuan of profits and taxes alone. The complex is now capable of producing 800 varieties of steel and over 600 varieties of rolled steel as against 48 and 33 respectively in the early 1950s.

In 1988, the complex produced 7.7 million tons of pig iron, 8 million tons of steel and 5.6 million tons of rolled steel, offering the state 2.4 billion yuan of profits and taxes. At present, about one sixth of the rolled steel used in the country are produced by Liaoning Province.

Its oil-refining industry occupies an important place in China. Six of the country's 18 large oil refineries are in

Liaoning. Their annual output of refined oil accounts for nearly one quarter of the country's total.

With an annual production capacity of 13.5 million tons of crude oil, Liaohe Oilfield is now the third largest in the country.

Shipbuilding industry has also developed rapidly in Liaoning. The tonnage of the ships built by the province's Dalian Shipyard a year accounts for a quarter of the country's total. The shipyard now ranks 18th in the world in production capacity while it was only 44th ten years ago.

In 1980, the shipyard built a 27,000-ton cargo ship, which was praised as "an outstanding ship" by the Lloyd's register of shipping based in Britain.

The Dalian Shipyard has exported offshore oil platforms and oil tankers.

The shipyard is now planning to build a 200,000-ton dock, which will be the largest in the country and will be capable of building 300,000-dwt ships, Zhang said. He added that the shipyard aims to become one of the ten biggest shipyards in the world.

Zhang said that Liaoning which ranks first in machine-building industry in the country builds important machinery and equipment for the rest of the country.

He said that the central government has paid greater attention to the technical renovation of the old enterprises in Liaoning. It has allocated a total of 88.57 billion yuan to this end. So far, 380 major enterprises have reached the international levels of the late 1970s or 1980s in technology and equipment.

On the average, Zhang added, more than 1,700 varieties of new products are developed by the province every year. It ranked second last year in the number of products winning national honors. Its industrial output value has also grown by an average of 12.3 percent a year in the past ten years.

Zhang revealed that the province is now making efforts to promote its output of rolled steel to 10 million tons a year. Meanwhile, construction of two ethylene plants, two synthetic ammonia chemical fertilizer plants with an annual capacity of 300,000 tons and several petroleum-processing projects are underway.

As the Liaodong Peninsula opens wider and wider to the outside world and the industrial structure of the Liaoning Province is being readjusted, Zhang said, the province will play an even more important role in the country's economy.

Northwest Region

Gansu Leaders Meet With Teachers, Students

HK2709015989 Lanzhou Gansu Provincial Service
in Mandarin 0000 GMT 27 Sep 89

[Excerpts] Yesterday afternoon Li Ziqi, secretary of the provincial party committee; Lu Kejian, deputy secretary; and Zhang Xuezhong, vice governor, visited Lanzhou University where they held a wide-ranging forum with some teacher and student representatives. [passage omitted]

Li Ziqi spoke at the forum. He first praised highly the outstanding contributions of the university to the state and the province in the past 40 years in training talented people and in scientific research. On how to step up ideological and political work in tertiary education institutes, Li Ziqi pointed out that creating a good political environment is very important for the growth of young students. Although the turmoil and the rebellion have been quelled, international hostile forces are bent on subjugating us, and the leaders at all levels must maintain a sober understanding on this point. We must make full use of the present favorable opportunity to step up education in the four cardinal principles and take a clear-cut stand against bourgeois liberalization. The party organizations at all levels in the schools must carry out ideological and political work with great boldness and assurance. Young students must establish the communist view of life and morality, and assign first place to firm and correct political orientation so as to become qualified talented people with both political integrity and ability.

Ningxia Secretary Stresses Unified Thinking

HK0210081689 Yinchuan NINGXIA RIBAO in Chinese
17 Sep 89 p 1

[Report: "Shen Daren Stresses During Investigation and Study in Yinchuan City Proper That the Current Important Thing Is To Unify Thinking"]

[Text] On 14 September, Shen Daren, secretary of the autonomous regional party committee, went to Yinchuan City proper to carry out investigation and study. He stressed: The current most important thing is to unify the thinking of all party members, cadres, and the masses; the city proper must do all kinds of service work for reform, opening up, and economic construction.

In the morning, Shen Daren and others went to the office of the city proper party committee to listen to reports. When the responsible comrade of the city proper party committee reported that they had seriously implemented the spirit of the 4th Plenary Session of the 13th CPC Central Committee, carried out the tasks and duties put forward at the 3d enlarged full meeting of the 6th autonomous regional party committee, dealt with "hot" topics of great concern to the masses, and finished seven practical things about which the masses were concerned,

Shen Daren repeatedly praised them. He stressed: It is necessary to employ the spirit of the document of the 4th Plenary Session of the 13th CPC Central Committee and Comrade Deng Xiaoping's recent speeches to unify our thinking. He said: It is understood that some comrades still cannot solve the ideological problems at a deeper level. It is necessary to do more ideological work and more patient work in persuasion and education. In party building we should mainly grasp the building of ideology, organization, and style. Concerning the three kinds of building, we should give prominence to ideological building, adherence to the four cardinal principles, and education in opposing bourgeois liberalization, and carry out education in adhering to "one center, two basic points." In style building we should develop the party's fine tradition and style and overcome the negative and corrupt phenomena.

When talking about the functions of the city proper, Shen Daren pointed out: The city proper should also develop the economy but, more importantly, should serve reform, opening up, economic construction, and the people. The question of how to deal with the work of the city proper in a better way is to seriously sum up experience from practice. Some contradictions and problems should be gradually solved through deepening the reform and straightening out various relationships.

Shen Daren asked in great detail about the situation of contracted management of enterprises in the city proper. He pointed out: Contracted management should be continued. It is necessary to make serious reflections and sum up the experience and lessons in contracted management so as to develop the system in a healthy way.

As 14 September happened to be the mid-autumn festival in our nation, Shen Daren and others went to schools, neighborhoods, factories, and government organizations to hold informal discussions with teachers, cadres, workers, and residents, and wished them a happy festival. Shen Daren went to the Hui People No 2 Primary School and the residents' committee of Ziqiang Lane in Funing Street to find out, in great detail, the conditions about school teaching and neighborhood work; he also went to Yinchuan's cotton thread factory, Red Star Radio Equipment Factory, and the Nationality Cotton Blanket Factory to have cordial conversations with cadres and workers in the workshops. Shen Daren said: We should comprehensively and deeply study and understand the spirit of the 4th Plenary Session of the 13th CPC Central Committee and Comrade Deng Xiaoping's important speeches. All measures of reform and opening up which were officially introduced before the fourth plenary session and which had been discussed and decided by the party Central Committee or State Council; all rules, laws, and regulations which were worked out by the State Council, and all laws which were formulated by the National People's Congress should be continuously carried out. The policies and regulations on deepening reform and expanding opening up, which have been formulated by the regional party committee and government in accordance with the spirit of the

central authorities, should also be carried out continuously and made perfect. All methods and measures conducted on a trial basis in previous reforms should also be tested continuously under guidance and step by step.

Shaanxi's Zhang Attends Veteran Cadres Meeting

*HK2709052389 Xian Shaanxi Provincial Service
in Mandarin 0030 GMT 27 Sep 89*

[Excerpts] The provincial party committee and government held a gathering in Xian yesterday to commend model retired cadres and advanced centers for veteran cadre activities. [passage omitted] Vice Governor Xu Shanlin presided at the meeting. Mou Lingsheng, deputy secretary of the provincial party committee, made a speech. Provincial leaders Zhang Boxing, Sun Kehua, Wei Minghai, Wang Xibin, Wei Mingzhong, and Li Huanzheng attended. [passage omitted]

In his speech, Comrade Mou Lingsheng said: Veteran cadre work represents an important component part of party work. The leaders at all levels must pay great attention to this work and give full scope to the role of the veteran comrades. They must seriously listen to their views and suggestions so as to continuously improve work. We must do a good job in firming up the political and living conditions for retired cadres, provide high-quality service in all respects for the veteran comrades, and raise veteran cadre work to a new level.

Xinjiang Leaders Attend Art Festival Opening

*HK2709153589 Urumqi Xinjiang Regional Service
in Mandarin 1230 GMT 26 Sep 89*

[Excerpts] The Second Xinjiang Art Festival solemnly opened at the Nanmen Gymnasium in Urumqi on the afternoon of 26 September. [passage omitted]

Attending the opening ceremony were Song Hanliang, Tomur Dawamat, Janabil, Amudun Niyaz, Ba Dai, Gao Huanchang, Tang Guangcai, and other leaders of regional party, government, military organs, and the Xinjiang Production and Construction Corp. [passage omitted]

Regional people's government Chairman Tomur Dawamat delivered a speech at the opening ceremony. [passage omitted] He said that our socialist literature and art must adhere to the four cardinal principles and carry out a long-term struggle against bourgeois liberalization. Meanwhile, we must also deepen our understanding of and correctly handle the relations between literature and art and politics, between traditional culture and foreign culture, and between social effect and economic results; and unswervingly stick to the orientation that literature and art serve the people and socialism and to the double-hundred policy. Only by so doing will we be able to develop our literature and art along a correct path and

continuously promote the development of the socialist literature and art of all our nationalities. [passage omitted]

Xinjiang Secretary Stresses Party Building

HK2809065389 Urumqi Xinjiang Regional Service in Mandarin 1230 GMT 27 Sep 89

[Excerpts] Regional party and government leaders Song Hanliang and Tomur Dawamat, as well as leaders of the Xinjiang Production and Construction Corps, this afternoon met cordially with delegates of our region who had attended the national meeting of commending the advanced primary party organizations and outstanding party affairs workers, and discussed with them on how to enhance party building. [passage omitted]

Song Hanliang pointed out at the discussion meeting: In order that primary party organizations at all levels will play a real role in the political core, we must resolve to strengthen our party ideologically and organizationally and improve its work style, so that party members will be able to enhance their quality and party organizations at various levels will have a very strong fighting capacity. At the same time, through effective activities of party organizations at different levels and the exemplary vanguard role of party members, our party must enhance its appeal to the masses and increase its cohesiveness within itself so as to unite and lead the broad masses of the people to attain its goal with one heart and one mind and to work hard to implement the party's lines, principles and policies.

When speaking at the meeting, Tomur Dawamat, Amudun Niyaz, (Chen Xidong), and other leading comrades hoped the advanced primary party organizations and outstanding party affairs workers will give full play to their leading role, make greater contributions to enhanced party building, and strive for even greater honor. [passage omitted]

Shaanxi Capital Fights Hotel Industry 'Slump'

HK2609020789 Hong Kong HONGKONG STANDARD in English 26 Sep 89 p 1

[By Cheung Lai-Kuen in Xian]

[Text] The slump in the hotel industry in the tourist mecca of Xian after the June 4 bloodshed in Beijing has

prompted the municipal authorities to offer special concessions to foreign partners in joint venture hotels.

With occupancy rates hovering at 25 to 30 percent, the local government has exempted hotels from property taxes, land use fees and communications charges.

Worried municipal officials are also pressing the central authorities to cut federal taxes, including salaries taxes for hotel staff.

There is also talk of extending the tenure allowed foreign hotel operators by another five years in order to ensure a return on their investments.

"Tourism in Xian is finished," complained one taxi driver.

He only managed to make two trips this month ferrying tourists to the site of the famed terracotta warriors.

Normally he would make 20 trips a month.

Owners of souvenir shops said business was 80 percent below that of a year ago.

According to industry sources China can expect a 50 percent drop in tourism receipts this year from the U.S.\$2.2 billion (HK\$17.6 billion) recorded in 1988.

Guest arrivals in Xian have fallen to virtually nil in the months since the June 4 crackdown, according to Huang Tianjun, chief of the Foreign Investment Administration in the municipal Foreign Economic Relations and Trade Commission. "The joint venture hotels are facing a number of difficulties, especially in their cash flow," Mr Huang said. Another tax that will go in the bid to revitalise tourism is the land-use fee of 50 yuan (HK\$110) per square metre for middle-grade locations.

Mr Huang said the municipality had also asked the Ministry of Finance to reduce the taxes levied on joint venture hotels.

Mr John Green, general manager of Xian's Golden Flowers Hotel, said the government had also reduced telecommunications fees.

Mr Huang also revealed that foreign partners in a number of joint venture hotels had asked for the agreements to be extended.

Further on Government's Involvement in Yang Case

Attempt To Receive Swimmer Reported

OW0110005389 Beijing XINHUA in English
1622 GMT 30 Sep 89

[Text] Beijing, September 30 (XINHUA)—The Taiwan authorities are attempting to get a mainland athlete who was detained by the Hong Kong Government for overstaying there and is subject to repatriation to China's mainland to be sent to Taiwan instead, according to Hong Kong newspaper reports.

Yang Yang, a member of the Beijing swimming team, went to Hong Kong last March with a one-trip visa to visit his relatives.

After his visa expired August 14, Yang expressed his intention not to return to the mainland and asked the Hong Kong Government for "political asylum". His request was turned down by the Hong Kong Government.

The Hong Kong Immigration Department detained Yang September 23 and was about to repatriate him.

But since then the Taiwan authorities have shown keen "interest" in Yang's case. Li Huan, "president of the Executive Yuan", said that Yang was "qualified" as a so-called "mainland pro-democracy activist", and began to arrange for him to "go to Taiwan directly or via a third place".

Later, certain organizations in Taiwan asked for a delay in Yang's repatriation and plotted ways to play for time in an attempt to get Yang an entry visa for Taiwan.

The Taiwan authorities swiftly approved a decision to let Yang enter Taiwan.

According to an agreement reached between China and Hong Kong, mainlanders who overstay their visas in Hong Kong must be repatriated to China's mainland.

Commentary Condemns 'Intervention'

HK0210101489 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1457 GMT 30 Sep 89

[Short commentary by Tian Ye (3944 6851): "Taiwan's Intervention Makes the 'Yang Yang Case' Still More Complicated"—ZHONGGUO TONGXUN SHE headline]

[Text] Hong Kong, 30 Sep (ZHONGGUO TONGXUN SHE)—The case of Yang Yang, who did not return to the mainland after his permit to visit Hong Kong had expired, has been made more complicated and sensitive by Taiwan's intervention.

According to an agreement reached by China and Hong Kong and also according to the stipulation of Hong Kong's law, mainland residents who continue to stay in Hong Kong after their two-way permit to visit Hong Kong expires should be sent back to the mainland without discrimination. Yang Yang did not return to the

mainland after his two-way permit expired and also asked the Hong Kong government for political asylum. The Hong Kong government was in a dilemma when dealing with this knotty case. As relations between Hong Kong and China had become tense after the turbulent events in Beijing, if Yang Yang's case was not properly handled, more serious trouble would be caused to relations between Hong Kong and China.

However, the Taiwan authorities hastily passed and announced the "key points for the handling of applications of mainland democracy champions for resettling in Taiwan" and issued an entrance permit to Yang Yang. Taiwan's active intervention has undoubtedly disturbed the Hong Kong government's handling of Yang Yang's case according to the normal procedures.

Yesterday, the Immigration Tribunal decided to uphold the removal order and overruled Yang Yang's appeal. The tribunal spokesman said that Yang Yang did not meet the requirements for a valid appeal. The lawyer acting for Yang Yang then filed an application for a judicial review of the tribunal's decision, and asked Taiwan's official representatives in Hong Kong not to "comment on this case."

Citizens are closely watching the development of this case. Apart from the sensibility of the case itself, people are also concerned about Hong Kong's own interests. If Yang Yang is treated as a special case, then this will become a precedent for other similar cases, and the authority of the law will be challenged. The 1982 agreement will also be ruined. Then, how will Hong Kong deal with the aftermath? Will Hong Kong be able to carry another burden on its back?

Commentary Considers Contacts With Mainland

HK0210085089 Beijing ZHONGGUO XINWEN SHE in Chinese 1000 GMT 27 Sep 89

[Commentary: "If Only People on the Two Sides of the Strait Will Be Able to Come and Go like Sea Tides"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 27 Sep (ZHONGGUO XINWEN SHE)—For the people on the two sides of the strait, history has advanced, despite the slow pace. Being separated from each other by some artificial barriers, the two sides of the strait have witnessed some drastic changes in recent years.

At present, the saber rattling military confrontation between the two sides has been replaced with peaceful contacts between civilian people. This marked a major step forward in the past 40 years of separation between the two sides, and it was made after the nation and the people had paid a heavy price.

In 1978, the CPC decided the general principle for the peaceful reunification of the motherland, and this became the turning point of the relationship between the two sides. The climate over the strait gradually warmed

up, and the atmosphere gradually grew serene. There were two characteristics in the relationship between the two sides in recent years: First, contacts between the two sides have rapidly expanded; and second, there is an imbalance in such contacts.

The "relatives-visiting tides" have brought some 700,000 Taiwan compatriots to the mainland; all kinds of inspection groups have come to the mainland to discuss various issues with their mainland counterparts; apart from unofficial organizations, official organizations also attended international meetings in Beijing. It is estimated that Taiwan reporters have made a total of 400 visits to cover news on the mainland. Some of them covered important meetings, and others went to all parts of the mainland to cover various things in which they had interest. Out of all sorts of unofficial contacts at different levels and through different channels, some new tendencies are noticeable: First, relations between the two sides are extending to the legal field, with lawyers from both sides holding two seminars last year and planning to hold another seminar in October this year in Hong Kong. Second, organizations for coordinating commercial affairs between the two sides have appeared. A preparatory board for establishing a commercial coordination council consisting of people from both sides has been set up in Hong Kong, and it has been decided that commercial coordination organizations be separately established on the mainland and in Taiwan. Once the conditions are ripe, the two organizations will join hands in providing management services for patents, trademarks, trade, investment, and inspection.

In short, unofficial contacts between the two sides have been rapidly expanding, deeply developing, and rising to a higher and higher level. This is undoubtedly gratifying.

However, the other side of the development must also be noticed. The contacts between the two sides now remain in a one-way pattern, and there is a serious imbalance. Statistics and facts may more clearly illustrate this situation. So far, there have been some 700,000 visits from Taiwan to the mainland, but there have been only over

2,100 visits from the mainland to Taiwan to visit relatives or attend their parents' funerals. Taiwan reporters coming to the mainland for news coverage have paid over 400 visits, but no mainland reporter has ever been allowed to cover news in Taiwan. Countless Taiwan businessmen have come to the mainland to open factories and do business, but no mainland businessman has ever gone to Taiwan for business purposes in an open capacity. Moreover, Taiwan sports teams can come to the mainland to participate in any international events, but mainland athletes are still not allowed to attend events in Taiwan. The mainland has always been maintaining the position of "one China" both in word and in deed, but the Taiwan authorities only pay lip service to this principle and they in fact pursue a policy of "two Chinas" or "one China, one Taiwan." The mainland has opened wide its door for contacts and exchanges between the two sides and promotes the "three links," but Taiwan still refuses to open its door completely and still sticks to the "three no's" policy.

All these facts show that there remain substantial differences between Taiwan and the mainland in their policies and mentalities, as well as in concrete measures. Thus this causes the one-way pattern in the exchanges and contacts between the two sides and the serious imbalance. People have more and more deeply felt the evil consequences of such imbalance, because it not only continues to impair the legitimate rights of the people on both sides but also impedes the normal development of relations between the two sides. So when we stress that the rapid development of exchanges and contacts between the people on both sides constitutes an important condition for the peaceful and steady development of relations between the two sides, we must also stress that the key lies in the sincerity of the Taiwan authorities and the correct orientation of their general principle.

For the mainland, it is impolite not to return visits; for Taiwan, it is unreasonable not to allow the return visits. The people on both sides are making efforts to set aright the imbalance, and we believe that the bottleneck will eventually be broken through and that the people on both side can come and go freely like sea tides!

Foreign Ministry Comments on Pacific Basin Forum*OW0310102189 Taipei International Service
in English 0200 GMT 24 Sep 89*

[Text] The Ministry of Foreign Affairs said Friday, with a ranking U.S. official proposing that the ROC [Republic of China] join the prospective Pacific Basins Forum, the nation will do its best to further expand participation in international affairs and fulfill obligations as a member in the family of nations.

The proposal came from Richard Solomon, U.S. Assistant Secretary of State for East Asian and Pacific Affairs, in his report to the Senate Foreign Relations Committee. Solomon also suggested that Red China and Hong Kong be granted membership of this projected regional grouping. The Pacific Basin Forum was first initiated by U.S. Secretary of State James Baker and later echoed by Australian Prime Minister Bob Hawke. Never before, however, have they mentioned that Taipei should also be asked to participate. To prepare for the regional cooperation group, government ministers in the Pacific region will attend a meeting in Canberra, Australia in early November.

Vice Minister Denies Loan Made to Liberia*OW0410215589 Taipei CNA in English
1556 GMT 4 Oct 89*

[Text] Taipei, Oct. 4 (CNA)—Vice Foreign Minister John Chang categorically denied Wednesday that the Republic of China [ROC] Government had made a 200 million U.S. dollar loan to Liberia in exchange for its recognition of the country.

Returning from a month-long visit to Africa, the vice minister said Liberia's decision to resume diplomatic relations with the ROC was the result of the ROC showing its national strength to the world.

He recalled that it took a long time to restore bilateral official ties, and the process was "complicated." He did not go into details.

The said the Liberian Government had considered possible strong protests from Communist China and prepared countermeasures. "I expect that ROC-Liberian ties will not be affected," he added.

He pointed out that the Foreign Ministry would continue its active efforts to win greater diplomatic recognition from African countries.

Chang would not comment on whether the Ivory Coast would be the next African country to reinstate official ties with the ROC. He said that "if any country is likely to open official ties with us, we will work to see they succeed."

He also declined to comment on whether the resumption of ROC-Liberian official ties could set a precedent for "dual recognition"—the simultaneous recognition of Taipei and Peking by a foreign country.

Premier Meets Indonesian Junior Industry Minister*OW0410063189 Taipei International Service
in English 0200 GMT 27 Sep 89*

[Text] Premier Li Huan on Monday received Indonesian Junior Minister of Industry Aribowo, who is visiting the Republic of China with the 113-member Indonesian investment and trade promotion delegation. During the meeting, Premier Li said that he hoped there would be more exchanges of visits between the two nations to strengthen the bilateral relations. Li also said: Indonesia is an influential country in Southeast Asia with its rich natural resources. In recent years, under the leadership of President Suharto, Indonesia has witnessed stability and progress.

The minister told Premier Li that he hopes that the delegation's visit here will enhance trade and economic ties between the two countries. He added that he also hopes that business leaders and officials of the two countries will visit each other more often in order to consolidate mutual friendship.

PRC Veterans May Visit Before Resettlement*OW0310042889 Taipei CNA in English
0235 GMT 3 Oct 89*

[Text] Taipei, Oct. 3 (CNA)—Taiwanese veterans stranded on the Chinese mainland after 1949 may visit Taiwan for a look before deciding if they really want to resettle here, the Executive Yuan's Mainland Affairs Task Force decided Monday.

Many former soldiers stranded on the Chinese mainland who have returned recently have found that they have great difficulties coping with life in Taiwan. The task force met especially to discuss this problem.

It was decided that the Government should give the Taiwanese soldiers a chance to reconsider their decision to return to their native land.

The length of their initial stay on Taiwan and how soon they should apply to resettle in Taiwan are to be studied by the appropriate organizations, a spokesman said.

Paraguayan Commerce, Industry Minister Arrives*OW0410225189 Taipei CNA in English
1611 GMT 4 Oct 89*

[Text] Taipei, Oct. 4 (CNA)—Paraguayan Minister of Commerce and Industry, Dr. Antonio R. Zuccolillo, flew into Taipei Wednesday to attend the third Republic of China-Paraguay ministerial economic cooperation meeting that opens Thursday in Taipei.

Meeting the local press at the airport, the Paraguayan minister believed that the coming meeting would further strengthen friendly ties between the two countries.

Zuccolillo said that the Paraguayan Government is aggressively improving its investment climate and liberalizing its financial market, and he hoped that local enterprises would consider investing in his South American country.

On hand at the airport to greet them were Vice Economics Minister Chen Li-an and other [words indistinct] officials. Economics Minister Chen Li-an and Minister Zuccolillo will jointly open the meeting.

Investment and trade, industry, and agricultural technology will be discussed at the meeting. Agreements concluded at the meeting will be signed at a ceremony on Oct. 11.

Chilean Trade Official Begins Visit 4 Oct

*OW0410224689 Taipei CNA in English
1608 GMT 4 Oct 89*

[Text] Taipei, Oct. 4 (CNA)—Jorge Aliro Valenzuela Cornejo, executive secretary of the Investment Commission for Foreigners of the Economics Ministry of Chile flew into Taipei Wednesday for a four-day visit.

Valenzuela is the first Chilean official to visit the Republic of China [ROC] officially since the two countries suspended diplomatic ties in 1971.

The Chilean official said that in addition to calling on Chinese Government agencies, he will introduce the investment climate of Chile to local enterprises during his four-day stay here.

He said that local enterprises might not be well informed about current economic, political and cultural developments in his country because of the distance between Chile and the ROC.

Valenzuela pointed out that Chile was one of a few countries in Latin America to maintain both political and economic stability. Chile has a stable currency and cheap labor force, the two key factors for foreigners to invest in Chile, he stressed.

Air Force Gives Wings to Defecting PRC Pilot

*OW0410225389 Taipei CNA in English
1618 GMT 4 Oct 89*

[Text] Taipei, Oct. 4 (CNA)—Former Communist Chinese pilot Chiang Wen-hao, who was recently made a first lieutenant of the Republic of China [ROC] Air Force, received his wings from Air Force Commander in Chief Gen. Chen Hsing-ling Wednesday.

The presentation was made at a welcome party in Chiang's honor hosted by Gen. Chen at the Air Force headquarters in Taipei.

Gen. Chen said the wings are not only a symbol of Chiang's flying expertise, but also a token to welcome his joining the ROC Air Force in its sacred anti-communist struggle.

The former Communist Chinese pilot, who flew his MiG-19 to the offshore island of Kinmen on Sept. 6, said the bloody Tienanmen massacre of June 4 had proved to the world that Peking's open-door policy is only a tissue of lies.

Chiang said that Chinese Communist tyranny had caused him to lose all faith in the Peking regime. "This is why I have sought freedom here to devote myself to the anti-communist cause," he said.

Hong Kong

Ji Pengfei Comments on Basic Law Options

HK0310012789 Hong Kong SOUTH CHINA
MORNING POST in English 3 Oct 89 p 5

[By Chris Yeung]

[Text] Senior Chinese official Ji Pengfei has reaffirmed that Beijing has no pre-conceived ideas about Hong Kong's post-1997 political model.

Mr Ji told a visiting team of local dignitaries in Beijing on Sunday that they were still weighing up the pros and cons of various political blueprints including the bicameral model and the "4-4-2" compromise package.

But he was firm and clear that the Omelco [Organization of Members of Executive and Legislative Council] Consensus would not be considered by the drafters, according to Kan Fook-ye, a local deputy of the Chinese People's Political Consultative Conference (CPPCC).

Mr Kan, a surveyor, was among a local group of 29 CPPCC and Chinese National People's Congress delegates, businessmen and professionals who were invited by China to attend National Day celebrations over the weekend.

He said at a National Day reception held by the business sector last night: "They know very well that there are various political models now. They stressed that the consultation exercise is yet to finish. They are still studying the models.

"Mr Ji made it clear that the Omelco model would not be considered, but did not elaborate."

A strong advocate of the two-chamber legislature system proposed by the New Hong Kong Alliance, Mr Kan said: "There is no justification in the call for speeding up the pace of democratic development. The June 4 incident has simply indicated the enhancement of nationalistic awareness, not democratic awareness."

Also at last night's reception, the chairman of the Basic Law Consultative Committee, Mr Ann Tse-kai, denied that China was opposed to any compromise model agreed by rival camps.

He said: "The consultative body will collect different proposals and submit them to the drafters. As a drafter, I don't want to comment on the models."

Mr Ann, also a vice-chairman of the drafting body, said it was a good thing that a compromise could be reached by the rival groups.

Champion of the "4-4-2" compromise package, Group of 89 convenor, Mr Vincent Lo Hong-sui, said leaders of the three camps were likely to meet next week to iron out outstanding issues.

He said: "If there is a strong will for consensus, I'm optimistic that the remaining differences can be settled."

Mr Lo will leave for Beijing on a business trip later this week.

He said he may call at officials of the Hong Kong and Macao Affairs Office during the visit, but declined to say if the "4-4-2" package would be raised.

Joint Liaison Group Members Comment on Talks

JLG To Press Views

HK0210025589 Hong Kong SOUTH CHINA
MORNING POST in English 2 Oct 89 p 5

[By Wong Joon San]

[Text] The British and Hong Kong governments would use every available channel to press their views on the future of the territory to the Beijing authorities, Political Adviser William Ehrman said yesterday on his return from Joint Liaison Group (JLG) talks in London.

Mr Ehrman said Hong Kong's views had been clearly presented at the talks in London and the British officials had told their Chinese counterparts what they thought needed to be done to restore confidence in the territory.

"We will continue to argue calmly but firmly the points and views we have put and we will use all channels available to the JLG, including diplomatic channels," Mr Ehrman said at Kai Tak airport.

He said last week's meeting at the United Nations conference in New York between Foreign Secretary John Major and China's Foreign Minister Qian Qichen was an example of how Britain was making the most of every opportunity to press Hong Kong's case.

The Foreign Secretary had put many of the points that were discussed in the JLG to the Chinese minister and this approach would be continued in the future, Mr Ehrman said.

Asked how much faith he had in China softening its stance on the People's Liberation Army being stationed in Hong Kong, Mr Ehrman said: "We have outlined the steps we think should be taken and we will go on pressing our views, using every available channel."

On the JLG talks, Mr Ehrman said there was "plain speaking by both sides" and the outcome had been what was expected beforehand.

"We outlined what Hong Kong itself was doing, and in particular the building for the long-term future of the territory.

"Many of the plans under consideration here will come to fruition around 1997 or just beforehand, but will benefit the territory well into the 21st century," he said.

He added that a review of some of the JLG's outstanding work was also carried out and hoped that it could be taken forward at the next JLG meeting scheduled for December 5.

PRC Team Head Optimistic

*HK0310014589 Hong Kong SOUTH CHINA
MORNING POST in English 3 Oct 89 p 5*

[By Fanny Wong]

[Text] Beijing is optimistic that the major differences between China and Britain on Hong Kong affairs will soon be resolved, said a senior Chinese official yesterday.

Mr Ke Zaishuo, head of the Chinese team of the Sino-British Joint Liaison Group [JLG], admitted that both sides held very different views, but urged Hong Kong people not to worry about the disagreement.

"Differences in opinion did exist and one could not demand to solve them all in three days," said Mr Ke after arriving Kai Tak from the recent JLG session in London.

He said by restoring direct contact both sides could further clarify the problems and find ways to resolve them.

"With the two sides working hard together and with the co-operation of the Hong Kong compatriots, I am optimistic that some of the existing problems in Hong Kong could be solved gradually," he said.

During the meeting in London, the British and Chinese teams reviewed changes in the situation in Hong Kong since they last met in March.

Various subjects were raised including the stationing of the People's Liberation Army in Hong Kong and 1997 and the territory's pace of democratisation.

Asked if the two sides had disagreed on Hong Kong's future political system, Mr Ke declined to comment.

Mr Ke's optimism about solving the dispute was shared by NEW CHINA NEWS AGENCY director, Mr Xu Jiatao, at a National Day reception for the business sector last night.

He said strained ties between London and Beijing were "a temporary phenomenon" and would be improved in time.

British JLG team member, Mr Donald Liao Poon-huai, who also returned from London yesterday, said the disagreement was not unexpected, but it would be resolved through the resumption of normal contacts with China.

Asked if both sides had disputed the Hong Kong Government's handling of activities organised by local pro-democracy groups in protest over the bloodshed in Beijing, Mr Liao said it had been discussed, but declined to give details.

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